





# The week in London and Equities show their resilience

## New York Basically bull

BY JAY PALMER

NEW YORK

The equity market got with in five points of its June peak on Tuesday but thereafter its progress has been downwards albeit grudgingly, and yesterday there was very little end of account selling. The Slater Walker affair has been casting a distinct shadow all week and the problems at Chrysler U.K. came out into the open in a particularly painful way on Wednesday. None the less rises among FT quoted shares have on average matched falls: and on the week the 30-share index is 5.5 points lower at 351.2 for a gain over the account of 8.8 points.

Thus the market is still showing plenty of resilience. Dealing volume has stayed at low levels but the Actuaries 500 share index—unhampered by the financial sector and aided

### TOP PERFORMING SECTORS IN FOUR WEEKS FROM OCTOBER 2

	% Rise
Motors & Distributors	+14.8
Insurance (Brokers)	+12.5
Electricals	+11.1
Office Equipment	+10.0
Contracting & Construction	+9.7
Textiles	+9.4
All-Share Index	+8.7

### THE WORST PERFORMERS % Fall

	% Fall
Property	-4.5
Merchant Banks	-3.5
Engineering (Heavy)	-3.2
Packaging & Paper	-2.8
Stores	-2.9
Food Retailing	-3.4

by the strength of oils—has actually been posting new highs this week. Wall Street has lost some of its shine and performed erratically—against a backdrop of further prime rate cuts but Presidential statements opposing Federal aid for New York City's stricken finances. The interest rate trends in the U.S. helped gild its recovery yesterday.

### Slater Walker in a bear slide

Despite attempts on Monday to rally, the Slater Walker share price has slipped further this week and at 25p last night the distressing comparison is with a year's peak of 108p. At the same time this sort of price collapse has washed over on to the group's loan stocks, three of which have dropped a fifth on average over the past five days.

Slater Walker's new management have called in two firms of accountants, and there have been assurances about the liquidity of the group's banking and insurance operations. But the situation remains confused and uncertain with the most important questions—those bearing directly on the current value of assets to borrowing—yet to be answered. Meantime, the last published balance-sheet total (in December) was £385m, of which shareholders funds represented not quite a quarter. Last night's market capitalisation was just £184m.

At Lubok Investments shareholders funds represented a third of last published net worth, and the group had over £2m. of net cash in its balance-sheet. Nonetheless the shares are now two-thirds below their 1975 peak having fallen a quarter this week. Elsewhere, the interests of the new Slater Walker chairman have not been immune: Cavenham has moved noticeably lower while Anglo-

Continental has dropped an eighth.

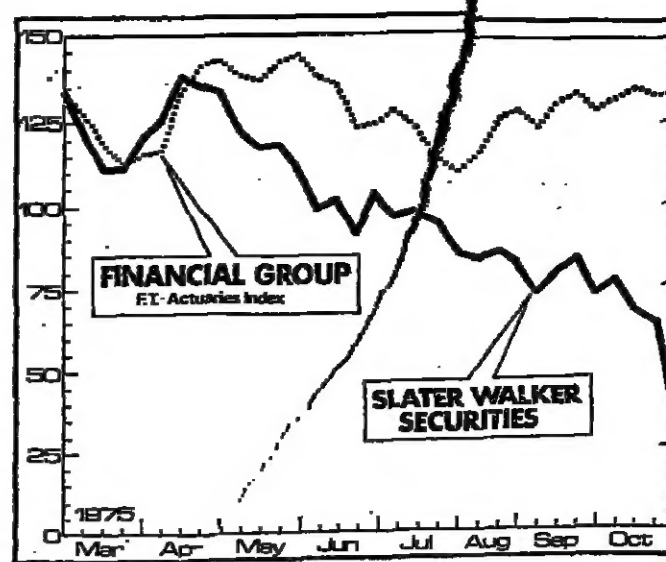
### Eurocanadian lifts a veil

On Wednesday—just one day after the appearance of Furness Withy's 1975 interim statement—Eurocanadian decided that the time had come for its own financial profile to be given a gentle airing. Understandably the group is giving little away, but at least it is now possible to put the recent investment in U.K. shipping into some sort of perspective, and Eurocanadian's commitment is clearly a massive one.

Last year Eurocanadian made a bid for Manchester Liners—curiously in the very teeth of opposition from the ML parent Furness which now owns 81 per cent of the group. Earlier this year Eurocanadian turned its attentions to Furness itself, the acquisition of nearly 30 per cent of which at one time pro-

elled the Furness share price up to 357p; this week the shares have eased, they are now 14 per cent below the high for the year and it is now clear that Eurocanadian's actual earnings base is not as large as its earlier takeover aggression might have implied.

In the three years to next March Eurocanadian's net cash flow will have totalled around £19m, whereas its stakes in ML and Furness have cost the group something like £24m. At the same time the near £6m. of new equity being injected into the group by the Canadian Government (via the Canadian National Railways) values the whole operation at just over £30m. Meantime, Furness itself is lagging this year, with six-month profits down a third before tax and excluding ship sales. Overall group profits could fall from £23m. to £14m., but historic cover for the dividend comfortably tops five times.



The bear raid on National Carbonisation has intensified this week with the share price falling over a quarter from 30p to 22p. This followed the company's failure to agree interim measures with the European Court in Luxembourg to prevent the shut-down of its loss-making hard coke division. The two plants contributed a fifth of pre-interest profits last year but a combination of falling world coke prices, the rising costs of coking coal, and according to the company, inadequate domestic coke prices (these are set by the NCB which supplies 70 per cent of the U.K. market) has plunged this side into the red.

Leaving aside these substantial losses, the interim figures due next month are still not going to look inspiring. Volume in the smokeless fuel industry has been well down this summer, following last year's bonanza conditions, as coal's competitive edge over other fuels has virtually disappeared in a series of price rises. More over NCC's gearing is already substantial. Borrowings in the last balance-sheet were about equal to tangible net worth of £3m., and the cash drain in coking this year will not have eased the squeeze on liquidity.

But with the shares now nearly two-thirds below their 1975 high of 62p, attention inevitably focuses on the value of NCC's 1.1 per cent stake in the Mianian Field, via a 15 per cent share stake in the London Marine Oil Company, a consortium of institutions. For a 20 per cent stake in the Mianian Field, via a 15 per cent share stake in the London Marine Oil Company, a consortium of institutions.

called future equity commitment of £540,000, NCC's share of the field's present value is worth—on outside estimates—some £1m. or £2p per share. An immediate cash sale would, however, probably fetch only 50-60 per cent of this price.

### Rights issue yardsticks

This week saw the first heavy discounted rights since the Treasury announced its new controls. Lighting and Leisure is making a one for one issue at par—a discount of some 75 per cent over the price ruling before the announcement—to provide the market with an interesting yardstick. On the one hand Lighting and Leisure was not allowed to pay its intended final dividend since the interim payout meant that it had already exceeded the stipulated 10 per cent maximum increase. But permission has been granted for a rights which has resulted in the yield being raised some three points to 10.6 per cent.

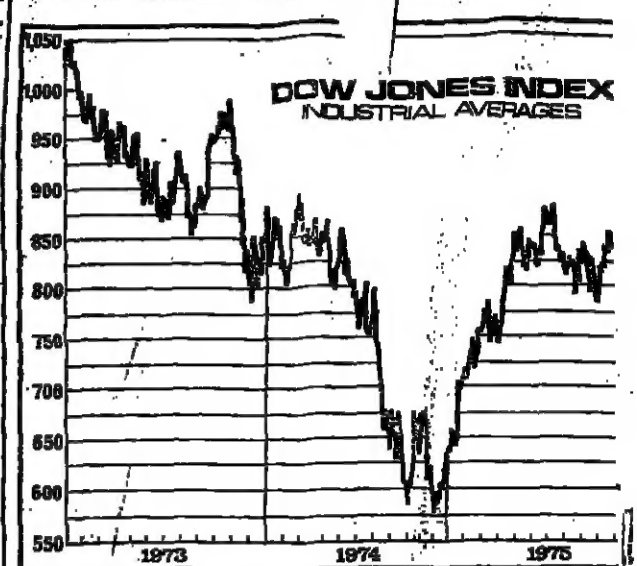
From this it is clear that the Treasury has no intention of taking a rigid line on discounted rights issues but presumably it will concentrate on checking those companies that seek to abuse the situation by bumping up dividend yield out of all proportion to sector ratings. The Treasury is acting as a watchdog; and it endeavours to apply commercial logic to each individual case that comes before it.

THE ON, off and on again crises of New York City's finances have continued to dominate Wall Street's day-to-day thinking. The shooting ahead 13 points on Tuesday on desperate hopes of Federal intervention, the Dow Jones industrial index lost all of this gain on Wednesday when the President again refused to consider any form of aid.

The White House message was clear and uncompromising—New York City had got itself into a mess and now it had to get itself out. Any Congressional aid packages would be vetoed and the only help forthcoming would be in the form of changes to the U.S. municipal bankruptcy laws to protect the city from creditor lawsuits.

Although further financial aid from New York State or both the City and State municipal pension funds cannot be ruled out, it now seems highly probable that New York City will default on its debts (and possibly enter technical bankruptcy) before the end of the year.

The implications of such a move are obviously worrying.



Many argue that New York State and a number of other financially weak towns and cities would be unlikely to see the returns as encouraging, especially in upturn experienced by some industries. For all its plagues, Detroit remains somewhat of a lifeline and an unexpected ally in the current crisis. Chrysler's notable exception has spared off new hopes of continuing economic recovery.

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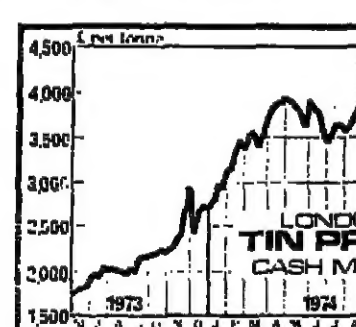
### MINES IN THE NEWS

## A dose of optimism

BY MALCOLM DUMPHREYS

IT MAKES a pleasant change to be able to fill most of this column with news which, although not promoting euphoria, is at least optimistic. Results and forecasts from metal producers and mining finance houses of late have held little encouragement for

investors, while metal prices continue to languish at levels which fail to ensure expansion in either profits or production.



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Perhaps the most surprisingly optimistic forecast has been given this week by Mr. Basil Heron, chairman of South African Anglo-Vaal, who stated in the company's annual report that "we are budgeting for increased earnings and dividends" in the year to next June. The company's strength lies in its diversification and Mr. Heron is looking to the industrial side of operations to carry Anglo-Vaal through until demand for and prices of minerals pick up.

Mr. Heron qualifies his remarks by adding that the improvement is dependent on the availability of raw materials, ability to keep ahead of unusually rapid changes in economic conditions and most importantly on prices received for the group's widely diversified products.

Anglo-Vaal's mineral spectrum covers gold, uranium, copper, zinc, manganese, iron, platinum and antimony while last year the industrial side of operations provided 58 per cent of profits. The full impact of Anglo-Vaal's earnings of 1975-76, which became a subsidiary in the latter half of the year to last June, will be felt in 1976-77 so it would seem that shareholders can consider the last year's increased dividend of 50 cents is in little danger.

Remainder in the Republic of Transvaal Consolidated Land and Exploration, which has built itself up over the past few years into a bustling mining fin-

ance house, albeit modest in comparison with other similar South African companies, reports increased profits and dividends in the year to September 30. Net earnings from this Barlow Rand group company have risen from R8.2m. to R9.08m. and the distribution is

possibly be increased a little. It also says that the minerals, plant and manpower are available to double 1974-75 sales levels but it is admitted that this is unlikely to happen in the current year.

While not retracting any of the gloomy forecasts made for the short-term, executive director of North Broken Hill, Mr. R. L. Baillieu, told this week's meeting in Melbourne that last August was "perhaps the most important month" in the company's 63-year history. For it was then that an exploratory drill intersected an extension of the southern lead-zinc, silver ore-

body which is the richer of the two currently being mined. This extension looks likely to have increased the mine's life prospects to beyond the 12 years previously estimated from reserves which had dwindled to 6m. tonnes. Over 25m. tonnes of high-grade ore have been extracted from the mine during its life. Further drilling is in progress to delineate the ore-body "as quickly as possible" and if it is a large one "as we hope and believe" delineation would take many years, added at the North mine. For it was then that an exploratory drill intersected an extension of the southern lead-zinc, silver ore-

### TIN OUTPUTS COMPARED

	Sept. 1975	Aug. 1975	Total to date (months)	Same period previous year
Tonnes				
Amal. of Nigeria (tin)	210	223	1,330 (6)	1,296
Amal. of Nigeria (columbite)	14	13	86 (6)	104
Ajakam	218	247	713 (3)	579
Ayer Hitam	161	142	447 (3)	646
Berjantai	323	323	1,615 (6)	1,846
Besikah Jantar (tin)	40	40	421 (9)	594
Besikah Jantar (columbite)	23	16	292 (9)	485
Ex-Lands Nigeria	40	551	421 (9)	447
Gevoort	69	39	405 (6)	357
Gold and Base (tin)	30	26	274 (9)	362
Gold and Base (columbite)	Nil	1	5 (9)	7
Gopenex	183	182	2,370 (12)	2,433
Hongkong	1	1	6 (11)	81
Irida	33	32	303 (9)	300
Kaduna Syndicate	24	20	306 (8)	347
Kampong Lanjut	22	24	148 (6)	271
Kamunting	61	60	415 (6)	586
Kent (FMS)	56	59	507 (9)	502
Killinghall	50	34	606 (12)	815
Kinta Kelias	66	38	266 (6)	266
Kuala Kampar	35	32	261 (6)	250
Lower Perak	30	26	139 (3)	184
Malayan	119	205	625 (3)	584
Pahang	168	183	351 (2)	368
Pengkalan	30	123	253 (12)	2643
Pendang	112	107	1,136 (11)	7951
Rahman	60	63	182 (3)	212
St. Piran—Far East	21	19	117 (6)	64
St. Piran—U.K. (South Croft)	141	92	616 (6)	696
Southern Kinta	207	128	1,008 (6)	1,243
Southern Malayan	209	206	627 (3)	678
Sungei Besi	157	141	999 (6)	1,006
Sungei Way	62	25	104 (3)	86
Tanjong	143	143	2082 (9)	272
Tongkah Harbour	38	64	160 (3)	125
Tromoh	204	215	1,038 (9)	2,351
Uda. Tin of Nigeria (tin)	5	5	20 (4)	21
Uda. Tin of Nigeria (columbite)	5	5	20 (4)	21
Wheal Janet	73	87	1,177 (12)	1,442

\* Four weeks. † Tin metal content. ‡ Figures include low-grade material. § Not yet available. ¶ Five weeks. Outputs are shown in metric tonnes of tin concentrate.

### TV Radio

† Indicates programme in black and white.

#### BBC 1

8.55 a.m. Fingerbobs. 9.10 Star Trek. 9.25 Why Don't You? 10.00 Model World. 10.25 On the Move. 10.45 Cramp. 11.00 Weather. 11.15 Grandstand: World Cup Gymnastics (11.20). 12.20 p.m. Football Focus: Racing from Haydock (12.15). 1.25, 1.50, 2.20. Boxing (1.10, 2.10). International Rallycross (1.40, 2.40, 4.30) from Lydden Hill. World Championship Rugby League: Scotland v. Australia. 4.40 Final Score. 5.05 Basil Brush. 5.30 News. 5.40 Sport/Regional News. 5.45 Dr. Who. 6.10 Bruce Forsyth. 7.00 Saturday Night at the Movies: "Hell Boats". 7.25 The Dick Emery Show. 9.05 Kojak. 9.55 News. 10.05 Match of the Day. 11.05 Parkinson. 12.05 Weather. All Regions as BBC 1 except at the following times: Wales—9.25-10.00 a.m. Telford; Light Entertainment. 12.05 a.m. News of Wales. Scotland—4.55-5.05 p.m. and 5.40-5.45 Scoreboard. 10.05-10.25 Sportscenter. 10.25-11.05 There was a Girl. 11.05 a.m. Scottish News Headlines. Northern Ireland—4.55-5.05 p.m. Scoreboard. 5.40-5.45 Northern Ireland News. 10.05-10.25 Northern Ireland News Headlines.

#### BBC 2

2.35 p.m. The Saturday Western. 4.10 Chico and the Man. 4.25 Play Away. 5.05 The Money Programme. 5.50 News. A closer look at the politicians, parties and progress of Parliament. 6.30 Open Door. 7.00 Rugby Special: Cardiff v. the Australians. (S): Concert, part 1: Beethoven's Ninth. 11.05 In Short: Talk by Hans-Robert Schuler. 12.10 Concert, part 2: (S) Schubert's Symphonies. 12.25 p.m. Britain Ray (S) with selection of 1994/95. 1.25 News. 1.50 Foreign Press Review. 1.55 The Voice of the Masters (S). A variety of programmes for the National Anthem records. 2.10 Women of Action (S). Felicity Lee. 2.15 Concert (S) (also VHF). 2.30-2.35 a.m. As Radio 2.

#### RADIO 1

4.00 a.m. As Radio 2. 6.30 Ed Stewart. 7.15 a.m. VHF. 8.00 Radio 1 News. 8.10 a.m. News. 8.15 a.m. News. 8.20 a.m. News. 8.25 a.m. News. 8.30 a.m. News. 8.35 a.m. News. 8.40 a.m. News. 8.45 a.m. News. 8.50 a.m. News. 8.55 a.m. News. 9.00 a.m. News. 9.05 a.m. News. 9.10 a.m. News. 9.15 a.m. News. 9.20 a.m. News. 9.25 a.m. News. 9.30 a.m. News. 9.35 a.m. News. 9.40 a.m. News. 9.45 a.m. News. 9.50 a.m. News. 9.55 a.m. News. 10.00 a.m. News. 10.05 a.m. News. 10.10 a.m. News. 10.15 a.m. News. 10.20 a.m. News. 10.25 a.m. News. 10.30 a.m. News. 10.35 a.m. News. 10.40 a.m. News. 10.45 a.m. News. 10.50 a.m. News. 10.55 a.m. News. 11.00 a.m. News. 11.05 a.m. News. 11.10 a.m. News. 11.15 a.m. News. 11.20 a.m. News. 11.25 a.m. News. 11.30 a.m. News. 11.35 a.m. News. 11.40 a.m. News. 11.45 a.m. News. 11.50 a.m. News. 11.55 a.m. News. 12.00 a.m. News. 12.05 a.m. News. 12.10 a.m. News. 12.15 a.m. News. 12.20 a.m. News. 12.25 a.m. News. 12.30 a.m. News. 12.35 a.m. News. 12.40 a.m. News. 12.45 a.m. 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# Your savings and investments

## SW investors should play it cool

BY ERIC SHORT

UNITHOLDERS, with the aid of Slater Walker trusts and policyholders in Slater Walker Insurance must be persuaded by the upheaval within the parent company — Slater Walker Securities — following the shock departure of Mr. Jim Slater.

These investors should, however, remember that the epicentre of this financial earthquake is in Singapore, not London. Therefore, although the new chairman, Mr. Jimmy Goldsmith, is launching a detailed investigation of all group operations, most of the attention is likely to be concentrated outside the unit trust and insurance operations.

The unit trust side has grown steadily over the past decade and now manages funds totalling £180m. for some 300,000 unitholders. Under the Department of Trade's regulations, the trusts have to keep assets segregated from other funds within the group. The unit trust operations have always enjoyed a degree of autonomy regarding marketing and investment. Investors should not forget the independent role of the trustees.

With Mr. Goldsmith's coming from two leading merchant banks — Rothschild and Hambro — their expertise should help retain the confidence of investors. But over a three-year period, the performance of SW unit trusts has had a better track record than that of the trusts managed by either of the two banks. It is difficult to see at this stage how they can improve on the present SW investment team.

So SW's unit holders should do nothing hastily and await developments. Their savings are secure in the hands of the trustees and monitored by the Department of Trade. Rumours of a possible buyout of the trusts are again circulating, but at present appear to have no firm foundation.

The position of Slater Walker Insurance is different in that this subsidiary was only formed in 1968 and last year sought and obtained a cash injection of £5m. from the parent company. Recently formed insurance companies are vulnerable in this respect until they have had time to build up their business and have accumulated sizeable reserves. As a general observation, there could be some cause for concern over any recently formed insurance company.

But policyholders must remember that 1974 was an exceptional year — asset values collapsed dramatically. The actuary of SW Insurance did his valuation of the life fund liabilities last year on a very conservative basis to demonstrate

## Bucking the engineering trend

BY TERRY WILKINSON

THE ILL winds of a thoroughgoing recession in the engineering industry continue to blow. Manufacturing investment has slumped and figures released recently from the Department of Industry revealed that orders in hand at the end of July for the industry as a whole were 20 per cent. down from the peak levels of last year and at their lowest point since the 1972 recession. The latest report from NEDO's short-term trends working party also suggests that the full impact of the current recession has yet to hit engineering companies.

A sharp fall in production is forecast for the final quarter of 1975 and this state of affairs is unlikely to improve until the latter end of 1976. So far, the engineering sectors have moved in line with the market but the sharp falls in profits have been shadowed by GKN and Tubes and which can now be expected to emerge on a more widespread scale, should exert a depressing influence on share prices.

But, as with the proverbial ill wind, it is not all unrelieved gloom. If the "energy crisis" of 1973 gave an unwelcome twist to the underlying trends in production and investment, it has also stimulated demand for products in the field of energy conservation and the extraction of alternative sources of energy to oil. At the same time, the development of North Sea oil and petrochemical investment generally has provided a useful cushion — in the case of smaller companies, a substantial workload for suppliers of fabrications and components. A number of companies will be reporting higher profits at a time when the general run of engineering companies are coming

under pressure and, given the above-average yields usually obtained in the sector, their shares should receive further support.

The world-wide boom in demand for diesel engines is based not only on relative fuel price considerations but also on environmental requirements for stand-by generators and construction work in areas like the Middle East. It is likely to form one of the major growth areas in post-nationalisation Hawker Siddeley. The market has already recognised the attractions of camshaft suppliers Weyburn Engineering, whose shares have risen nearly fivefold to 315p this year, on the back of a 270 per cent. rise in interim profits and an ungaraged balance sheet. As with the two independent generating set manufacturers, Petrow Holdings and Dale Electric, exports account for over 60 per cent. of sales.

Mining equipment shares have recently come into their own after a period of dullness. As far as the two major companies, Dowty and Dobson Park, are concerned, the improved outlook and rating stems from the termination of massive and largely unprofitable Chinese equipment orders together with the hefty injection of cash into the NCB re-modernisation and development programme. Dowty also has the support of a steady demand outlook on its aviation equipment side, accounting for anything up to a half of the group's activities. J. H. Fenner has invested substantially in new conveyor belt capacity, in response to demand from extractive industries generally, and having started the year with extended order books, returned a 58 per cent. increase in interim profits. Power transmission orders have come off the top, and the outlook for Fenner's fluid sealing and materials handling divisions is less buoyant, but the conveyor-belt work load should be a sufficient counterweight.

In international demand for its electronic valve actuators. In the leading "glamour" stocks in the North Sea fabrication field, Whesoe, is only now beginning to regain its lost status, after announcing substantial losses this summer. However, the fundamental outlook here is much more firmly based and should be a good prop for the shares.

The main drawback with all these shares is that they have become fashionable. This leaves them very exposed to unexpected setbacks; after all, one of the leading "glamour" stocks in the North Sea fabrication field, Whesoe, is only now beginning to regain its lost status, after announcing substantial losses this summer. However, the fundamental outlook here is much more firmly based and should be a good prop for the shares.

## Property bonds

BY CHRISTOPHER HILL

AFTER THE slump in property values last year, property bonds lost their glamour appeal and there were considerable doubts about the differing extent to which unit values were marked down. However, the bonds now appear to be making a comeback (£12m. of new money was attracted into the Abbey property fund in the first half of this year) and Abbey increased the unit price by 25 per cent. in the first eight months. This went a long way to offset the 40 per cent. fall in 1974 and according to Money Management magazine most companies have been following suit with unit price increases.

Thus the new weighted and unweighted Money Management Property bond indices are now showing rises since the beginning of the year of 9.3 and 5.3 per cent. respectively and the magazine tries to reach some conclusions about which funds are likely to perform best from now on. This is against a background of generally lower liquidity in the larger funds not be overdone.

## Canadian prospect

BY CHRISTOPHER HILL

AT ONE time all the new-year (the performance receding shares available and the dollar coming to the "top 10" unit in recent months) and the trust performance were hailed as managers admit — with the latest investment genuses commendable frankness — that it and their views as to future was largely a result of never developments were treated with more than 25 per cent. the utmost reverence. This climate has now changed to the point where an exceptional investment performance over one year is treated with suspicion — the feeling being that it must be the prelude to a series of disasters in the following year. Maybe this is carrying caution too far, but it is nevertheless true that recently very few investment managers have succeeded in getting the market right for two years in succession.

One outfit which has shown up well this year, however, but does not fit into the "public reputation" context is the Confederation Growth Fund — a unit of under £2m. which is managed by Confederation Life Assurance. The latter is a company with a Canadian parent which is well established in the U.K. it controls funds of over £500m. world-wide.

The fund has very nearly doubled its money over the past

### Atlantic

OVER THE past 18 months or so a lot has been written about the adventures of ways of many investment trusts, but one is not always happy about those which have ventured into new fields. The obvious example is Atlantic Assets whose report this week did some thing to clarify the mystery which has surrounded the trust for some time — the mystery being that of the various unquoted holdings. It was impossible to get a clear picture of the net asset value.

However, the report goes into unusually extensive detail for an investment trust particularly in relation to the Haw Par stake which amounted to 15.9p at the half-year but is now left out of the N.A.V. calculation.

The share price was at its highest in 1972 at over 180p, now it is around 30p compared with 80p earlier this year. But despite all its problems some market experts consider that the share could be undervalued now that everything has been disclosed.

## The burden of fees

BY ERIC SHORT

WHEN THAT the Nation Life about audit fees needs to be examining and explaining. To the laymen, they seem extraordinarily high.

The only ray of sunshine for Nation Life investors is that the first payments are being patched now and should arrive early next week. Efforts need to be concentrated on accelerating the date of the next payment. It is estimated that it will be at least a couple of years before all the assets are liquidated. It would be tragic if no further payments were made before then. Policyholders will be pleased to know that Mr. David Jackson, who has fought so long and so hard on their behalf, expects to rejoin the company of inspectors appointed to assist the liquidation.

**The LIG situation**

WHAT IS happening to the company which the life insurance industry did decide to rescue — London, Indemnity and General? It appears that the rescue consortium of life companies found the situation at LIG more complex and more unfavourable than was first contemplated. Having reassessed the position, which has taken several months, the consortium has issued details of its proposed plan, which was discussed in this column a fortnight ago.

Overall, the benefits have been cut by 10 per cent. considering the plan in detail as it affects the various classes of policyholders. The plan is unaffected. Under the temporary arrangement, annuity payments have been reduced by 10 per cent. of the original value. There is a level of payment will be maintained for the duration of the plan. Guaranteed Income Plan

# ARBUTHNOT

## High Income Fund Units

The Chairman of Merchant Bankers Arbuthnot Latham & Co. Limited says:

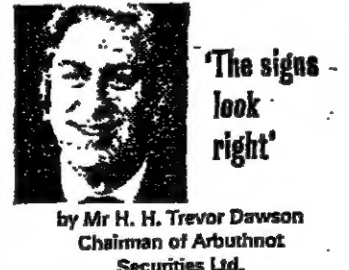
Here are three reasons why I can recommend Arbuthnot High Income Fund Units to you...

Estimated GROSS YIELD

11.8%

From a portfolio in these proportions:

85% ORDINARY SHARES. 15% QUALITY PREFERENCE AND CONVERTIBLE

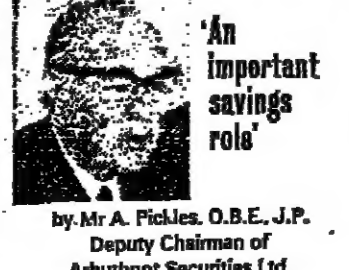


by Mr. H. H. Trevor Dawson Chairman of Arbuthnot Securities Ltd.

As an investment manager I have looked for signs world-wide that support my belief in the future of this high income fund.

I am encouraged by reflectionary signals from the U.S., Japan, France and Germany. World trade is bound to benefit from this tendency and with interest rates coming down, internationally, a high income fund in my view becomes an attractive investment.

What we should look for now is an upward movement in the F.T. All Share Index that will reflect, in our own economy, the world-wide trend.



by Mr. A. Pickles, O.B.E., J.P. Deputy Chairman of Arbuthnot Securities Ltd.

In Britain, authorised unit trusts, largely invested in our industry, have assets of more than £2,000 million. Clearly they play an important part in our economy and in the whole savings movement. For some time now, unit trusts with a higher than average yield have tended to outperform the more modestly yielding "growth" funds.

To achieve correct timing and good judgement of quality this type of fund requires constant vigilance and a high degree of investment expertise. I believe that Arbuthnot Securities Ltd. can supply both.

**1. Our Experience**

There is no substitute for the 143 years of experience of Arbuthnot Latham & Co. Limited as bankers and merchants. Over the years our world-wide business has made us a respected and established financial institution.

**2. Our Expertise**

Through our associates — including the management company of this fund — and our international connections we marshal the resources essential to effective investment management.

**3. Our Responsibility**

An old fashioned word, perhaps, but our business and our position depends upon our integrity. Our duty is to manage the funds entrusted to us for the benefit of our investors.

**Arbuthnot High Income Fund Units**

In the current climate this fund provides in my view a realistic and sound assessment of the opportunities open to unit trust investors seeking high income and the potential of reasonable capital growth.

Nevertheless, the price of units in this fund, like any other, can go down as well as up.

My view is that investment in Arbuthnot High Income Fund

Units should be regarded as long term.

Elsewhere in this advertisement, Mr. H. H. Trevor Dawson and Mr. Arthur Pickles O.B.E., J.P., respectively the Chairman and the Deputy Chairman of Arbuthnot Securities Ltd., outline their attitudes. They are the men who are responsible to you the investor, for the management of this fund.

Christopher Pridoux, Chairman Arbuthnot Latham & Co. Limited

**Trusted:**  
**The Royal Bank of Scotland Ltd.**  
Managers:  
**Arbuthnot Securities Ltd.**  
(Registered in Edinburgh 46694)  
Directors:  
H. H. Trevor Dawson (Chairman),  
A. Pickles, O.B.E., J.P. (Deputy Chairman),  
A. R. C. Arbuthnot, M. G. Barrett, C. D. Lawson, F.C.A., J. Roy, A.C.C.A., Professor Roland Smith B.A., M.Sc., Ph.D. (Bank).

The managers reserve the right to close this offer should the value of units rise by more than 24%.

### GENERAL INFORMATION

Applications will be backlogged and unit certificates will be issued within 35 days of the close of this offer. The buying (offer) price includes an initial charge of 5%. The annual charge is 1% + VAT. Half yearly distributions are made on 15th February and 15th August.

After the close of this offer units may be purchased at the daily quoted price based on the Stock Exchange value of the Fund's investments. This value also determines the price at which the managers re-purchase units. You can therefore sell your units back at any time and you will receive their cash value within a few days. You will be able to find the daily price in all leading newspapers. A commission of 1% will be paid to agents. This offer is not open to residents of the Republic of Ireland.

This offer remains open until 11 November 1975 at 30.6p per unit (or the managers' dealing price (lower))

To: Arbuthnot Securities Ltd., 21 Leven Street, Edinburgh EH3 9LH, or phone: 031-228 1421 and ask for dealers.

I/We wish to invest the sum of £..... (min. £200) in Arbuthnot High Income Fund Units and enclose a cheque payable to Arbuthnot Securities Ltd.

I/We declare that I am/we are over 18 and not resident outside the scheduled territories nor am I/we are acquiring the above mentioned securities as the nominee(s) of any person(s) resident outside these territories. (If you are unable to make this declaration, it should be deleted and the form lodged through your Bank, Stockbroker, or Solicitor in the United Kingdom.)

If you wish to reinvest the income please tick this box for Accumulation Units ☐

Signature(s) (In case of joint applications, all must sign.) (State Mr/Mrs/Miss or Titles and Surnames)

Full Name(s)

Address(es)

For details of our share exchange scheme please tick this box ☐

For details of our monthly savings scheme please tick this box ☐

Application Form F.I.1/11/75

Arbuthnot Latham & Co. Limited, Bankers, founded 1833



## Finance and the family

## Insurance

## Three classes of income

BY OUR LEGAL STAFF

Section 15 of the 1974 Finance Act states that maintenance payments as the result of a Court Order up to £1,000 p.a. will not be regarded as "small maintenance payments" are made without any deduction of tax. Where these payments are made to divorced wife who has remarried it would therefore seem that her husband is entitled to claim "wife's earned income allowance" up to £675 p.a. because, although this may not have been the intention of the Finance Act 1970, the exclusions from a wife's earnings for this purpose under S.8 of the Act do not cover maintenance payments. Do you agree?

Unfortunately there are now three classes of taxable income for the purpose of income tax, not merely two as would seem logical: 1—Earned income—defined in s.530, ICTA 1970; 2—Investment income—defined in s.532(3), FA 1971; 3—Income not within either definition. Maintenance payments up to £1,000 p.a. fall into the limbo of the third class, as do other kinds of income as specified in subsection 4 of section 32 of the 1971 Act.

## Liability for dead trees

The estate in which I live contains a large number of dead elm trees. These belong to the lessor and the lessees have the right to use the gardens, the lessor covenanted among other things to keep the garden in cultivation, subject

to the lessees paying an equal part of the cost. In these circumstances would the lessees be liable should a dead tree fall and the insurers reject the claim, or have to meet the cost of tree removal if carried out by the lessor in his own interest? It seems that the cost of removal of trees would fall on the lessees, as that would be required to keep the estate in good condition and cultivation. If, however, a tree caused damage or injury which is not covered by insurance, any claim would fall to be made against the lessor, as the trees are not owned by the lessees nor are they part of property occupied by them.

## Premium bonds and CTT

I am a member of a group of six men and I regularly buy three premium bonds per week, so that now we have nearly 600, and still buying. One of our number is anxious should he for example win a large prize, say £75,000, as to what would be his position regarding taxes. He would have to give £12,500 to each of the other five men, so would this attract Capital Transfer Tax for example?

There is certainly a strong case to be made out for there being a charge to Capital Transfer Tax where the recipient of a prize accruing in right of a premium bond is required by the rules of a club to pay part of the prize to

other members of the club. Much will depend on the actual terms of the club rules and the method of purchase and holding of the bonds. We think that you would be well advised to consult a solicitor with a view to vetting and, if need be, re-casting the rules of your club.

## Premium not available

My father who is a non-resident has offered to give me some Australian shares which he bought from an external account. I came to live in the U.K. more than two years ago. Could I sell the shares with the benefit of the premium? From the situation described in your letter it would appear that securities given to you by your father would not be eligible for the investment currency premium. Even if you are resident in this country for exchange control purposes, you cannot receive from the gift more benefit than would be available to the donor. Since he is non-resident, the shares would not be premium-worthy.

## Replacement of a hedge

Recently I bought an old house empty for many years and surrounded by an overgrown hedge about 10 feet high. It has a wall abutting the highway, partly 7 feet and, partly 3 feet high. On the latter part there had been a 3 feet railing removed during the war. I have

removed the hedge and started to replace it and the old railing by building up the 3 feet wall to 2 metres. The Council says I require planning permission for this, which I dispute. What, please, is your view?

While you would probably have been entitled to repair an existing fence up to a height exceeding one metre, the replacement of your hedge by a wall not on the site of the hedge requires planning permission. We doubt if replacement of the railing after some 30 years would be capable of falling within the General Development Order. It is a question of fact in each case, so that you are not precluded from arguing that you are entitled to build up the wall or replace the railings, but we think that the Council's view is more likely to prevail.

## Failure to arrange loan

I engaged a mortgage broker to arrange a mortgage and deposit loan for me in respect of which I paid £50 to defray the broker's expenses. The broker failed to arrange a loan and I was forced to give up the property. Can I compel the broker to repay the £50?

We doubt if you have any recourse at law. A commission is usually paid for the introduction of someone who will negotiate to effect a loan, not for procuring the loan. If you can prove that the agreement was for remuneration to be conditional on the making of a loan, you would be entitled to your refund, as also if no one at all was introduced.

## A bond CGT and CTT

I have a bond on my life, now worth about £960 for which I paid £1,000. (a) If I assign it to my daughter, will this create a loss for capital gains tax purposes? (b) Although the diminution of my assets is below £1,000, it could rise above this figure in future, so how would this affect capital transfer tax? (c) Would the bond on assignment be deemed the acquisition by my daughter

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

of a chargeable asset at £960 for capital gains tax?

(a) The assignment of a single premium bond in the circumstances outlined in your letter should not give rise to any capital gains tax consequences, whether it has risen in value or fallen, nor to any income tax consequences.

(b) The value of the bond for capital transfer tax purposes should be £1,000 (since the market value is less than the cost). Its prospective value is of no consequence for CTT.

(c) The bond should not give rise to any capital gains tax consequences in your daughter's hands, but any gain on maturity, etc. would give rise to an income tax liability (investment income surcharge and excess of higher rates over basic rate, if appropriate), as it would have done in your own hands.

## Tax relief on interest

A premium on my life insurance and interest on my loan account fell due for payment in February, 1974. I arranged for both these amounts to be debited to my loan account with the insurance company. The Inspector of Taxes is refusing to allow me relief on the interest on the basis that it was charged and not actually paid. I have pointed out that this particular payment, had, in any case, to be met from capital, and if necessary, in order to obtain relief, I will raise funds from elsewhere. Is the Inspector correct in refusing relief?

The provisions under which you claimed tax relief relate to interest paid in the tax year in question; the mere accrual or compounding of interest is not sufficient (as it might be in a sch.D case 1 computation, for example). It may be possible to obtain tax relief for the current year by paying an appropriate sum to the insurance company before April 6, 1976, but you do not give enough information for us to advise on this point with any assurance. When such a payment is made, the Revenue are sometimes prepared to allow tax relief on compounded interest, even if the statutory conditions are not precisely fulfilled.

## Flexible policies for life cover

BY JOHN PHILIP

SUDDENLY THIS week there has been a lot of talk about "flexible" life insurance policies—policies which can be arranged with an indefinite maturity date ultimately to be fixed when it suits the policyholder to cash in.

But there is nothing new about this kind of life contract and "flexible" is nothing more than the latest term for what until recently was called "open-ended"—and on a present count I find some 14 companies offering this kind of cover.

## Doubts on surrender values

The flexible, or open-ended, contract was originally designed by its pioneers as a sales line to compete with the wares of the unlinked life market. To the policyholder one of the attractive features of most unlinked schemes was the certainty of the amount of money he would get back whenever he cashed in his policy—a very different situation to the uncertainty which the vast majority of holders of traditional assurances face when they wish to surrender their policies.

And so four or five years ago a handful of traditional offices began to sell these new contracts in one of two forms: either endowment assurances with a maximum maturity age of 65, or whole life policies with the premium paying period terminating at age 65, in either case with the cash-in or surrender value for each policy clearly stated for each year after the tenth year of its life.

Why this 10-year period? Why not a shorter one? The answer lies partly in the "qualifying" policy rules first established by the 1968 Finance Act. An endowment or whole of life contract arranged with a premium paying period of less than 10 years does not entitle the policyholder life assured to claim tax relief on his premiums, while he has a potential

tax liability on the receipt of the policy money. But there was another reason—ten years was, and is, in the view of most traditional actuaries the shortest period in which a policy could build up a substantial surrender-cash in value, so that if traditional principles on surrender were to be compromised then 10 years was the shortest practical period.

The flexible or open-ended policy is suitable for anyone who wants to make provision for some future expenditure but is uncertain when he will have to find the money (so long as it is not within the next ten years). And rather than buy one policy with say a present sum assured of £20,000, he can buy for example four policies of £5,000 each, so that when the time comes, he need not cash in the whole of his holding, but only as much as he immediately needs.

## Higher rates of premium

For this kind of policy insurers ask higher rates of premium than they do for their traditional endowment or whole of life policies which do not normally carry specific surrender values. Or, to put it another way, the policyholder who is certain of the date when he wants his money, and arranges for a fixed term endowment will get more at the predetermined maturity date than he would for the same gross premium outlay. Insurers' maximum entry age limits vary between 50 and 60, so if the prospective purchaser is above middle age, then he must seek out an insurer ready to accept his age group. Entry age limits have a considerable bearing on the options which the policyholder can obtain from some insurers—those of increasing cover, or of replacing cover, when the first policy is cashed, without providing insurers with any further evidence of health. Provided he is eligible by age and U.K. domicile, the

policyholder must of course exercise them in accordance with insurers' rules; thus for example one company's option allows the parent on birth of a child to obtain further cover—but he must do so within two months of the child's birth and he can only double his original insurance.

Incidentally there is a tax angle to the provision and exercise of options which cannot be overlooked: one of the "qualifying" policy rules lays down that the premium payable by the policyholder in any one year must not be more than double that paid in another year—the penalty for infringement being that the policy loses its "qualifying" status with all the unpleasant tax consequences that follow. Options are fine, but no one should buy a flexible policy with options, if what he really wants is a convertible term assurance. The flexible policy, being either an endowment or whole of life with limited premiums contract is obviously on the more expensive end of the life assurance sales shelf: it is, after all, a personal savings vehicle whereby the policyholder can get back his stake, plus bonuses. If the would-be policyholder is currently not interested in the savings aspect, wishing simply to buy protection for his family and to have the option at a later date of converting his policy to an endowment, to back house purchase or to pay for school fees, then he saves a considerable amount of premium if he buys one of the convertible term assurances that almost every life office offers.

## Fourteen companies

In conclusion the fourteen companies at present offering flexible policies are Commercial Union, Cornhill, Crusader, Equitable, Friends Provident, F. S. Assurance, Hill Samuel, Legal and General, Life Association of Scotland, Marine and General, Scottish Amicable, Scottish Provident, Sun Life and U.K. Provident.

## American wife's tax

My wife, who is a U.S. citizen, draws a small income from the U.S. most of which she keeps there. However, I have been charged to U.K. tax on this income for many years. Is this correct? Presumably you and your wife are domiciled in England (or elsewhere in the U.K.), as well as resident and ordinarily resident here. That being so, it is basically correct that you are assessable to U.K. tax on your wife's U.S. investment

income, regardless of whether it is brought into the U.K. However, provided that your wife does not possess dual nationality, she is (and therefore you are) entitled to exemption from U.K. tax in respect of dividends and interest paid by U.S. corporations, that is, corporations, associations or other like entities created or organised in or under the laws of the U.S.A. This exemption is due under article XV of the U.K./U.S. double taxation agreement as amended for 1966-67

onwards, regardless of whether the income in question is brought into the U.K.; this interpretation of the 1966 amendment was confirmed in 1972 in the case of Lord Strathallmond v. Inland Revenue. The double taxation agreement is being reviewed at the present time and it is possible that the exemption afforded by article XV may be restricted for the future by a further amendment.

## TAXATION AND THE INVESTOR

## CTT, trusts, and some international points

BY JOHN CHOWN, TAXATION CORRESPONDENT

I FIND I have not written on capital transfer tax for some months, having, cruelly, but necessarily, neglected a great deal of this subject on my readers earlier in the year. Everyone concerned is presumably by now familiar with the destructive effects of CTT and most will also know that the most vicious and unjustified provisions are those dealing with trusts and settlements.

These are also very complicated and a matter for first class professional advice, rather than self help based on a newspaper article. I would be foolish indeed if I were to attempt to cover all the points in one short article.

Those who are potential beneficiaries or settlors of discretionary trusts will already be aware that there may be a case for taking action to change the terms of these trusts and that it will be cheaper if this action is taken before April 6, 1976. They will doubtless already be in touch with their lawyers and if they are not they should lose no time. The chance of their friendly neighbourhood family solicitor having a couple of hours spare in late March is rather remote!

## Three types

I particularly want to deal today with some international aspects of trusts which may have escaped notice. These concern three types of individual. First, those considering leaving the country and are beneficiaries of a trust; second those with British origin living abroad; and third those who may hope to benefit under the estate of someone domiciled outside the U.K.

CTT is levied on a transfer of value to a settlement, just as estate duty was levied regardless of whether the estate went to an individual or a settlement. At the rate applying that is serious enough, but only in limited circumstances is it the end of the story.

Because these penalties apply even to settlements created before March 27, 1974, such trusts are therefore given the opportunity, until April 1, 1980, of ceasing to be discretionary and of creating "interests in possession." If the distribution is made before April 1, 1976, "only" 10 per cent. of the CTT that would normally be due on the distribution will be levied. The proposed charge then rises by 21 percentage points per annum until during the last year of the "concession" (April 1, 1979 to March 31, 1980) 20 per cent. of the normal tax will be due.

Where such a trust can be reorganised, the possibility should certainly be examined. However, here comes my first "international" point.

## Discretionary

Most other trusts are stigmatised as "discretionary trusts" regardless of the intention of the settlor. These suffer CTT, not only on the transfer of assets to the settlement, but also when assets are transferred from the settlement to the beneficiaries. This applies even to settlements which pre-date the CTT legislation and may well arise on Will trusts which have already suffered estate duty. It will apply to certain foreign trusts. Even if there is no capital distribution (or creation of an interest in possession) by the settlor, CTT will be levied every ten years at 30 per cent. of the amount that would have been levied had the whole of the assets of the settlement been transferred.

This is designed to catch those settlements on which there is no distribution and in effect to ensure that the settlement is taxed on the whole amount once every generation. Where the trustees are not resident in the U.K., a 3 per cent. charge will be made annually. (Where an actual distribution is made by settlement within 20 years of a periodic charge, the amount of the periodic charge will be allowed as a credit against the CTT otherwise due on the distribution.)

The relief, unfairly but for obvious reasons, applies only if the beneficiary "is an individual who is domiciled in the United Kingdom at the time the capital distribution is made and resident (within the meaning of Income Tax Act) in the United Kingdom in the year of assessment in which it is made." Foreign resident beneficiaries of trusts which have, or are deemed to have, a United Kingdom settlor are not eligible for this transitional relief. A distribution to them will attract CTT in full, and a failure to make a distribution will result in the periodic charge being levied.

Emigrants

One important consequence is that those emigrating may have first to deal with the trusts. It is not correct to assume that after your departure the nasty problem will go away.

What is a trust, and what types of settlements are suspect? The definition of "settlement" includes settlements with foreign trustees, and settlements governed by the law of countries other than the U.K. Full U.K. liability will apply if the settlor or one of the settlors was domiciled in the U.K. at the time the settlement was made.

made. The term "settlor" is very broadly defined and "includes any person who has provided funds directly or indirectly for the purpose of or in connection with the settlement or had made with any other person reciprocal arrangements for that other person to make the settlement."

Even though a foreign settlor may apparently have a non-domiciled settlor, it is remarkably easy to taint the settlement by a non-arm's length transaction with a U.K. resident. Particularly note that if a foreign settlement is created at a time when the settlor is domiciled within the U.K., the settlement is forever tainted, even though the settlor subsequently goes abroad.

## U.K. domicile

Note also that many U.K. nationals living and working abroad will have retained U.K. domicile even though they are non-resident. Any gifts made by them are within the CTT net. Even if they now decide that they are not going to return at any price they may have to serve a three-year apprenticeship before they can actually make any transfers. Any settlements, including foreign settlements, made during that period are for ever suspect.

Settlements with non-domiciled settlors are outside the charge, although the definitions and anti-avoidance provisions are intended to make it impossible for a U.K. individual to divert assets or income without tainting the settlement. Discretionary settlements can still be made by a genuine settlor domiciled outside the U.K. even though some, or indeed all, the beneficiaries may be resident and domiciled in the U.K. My final point is that anyone domiciled in the U.K. who wishes to give or bequeath assets for the benefit of U.K. family members should still consider creating discretionary trusts outside the U.K. to administer the assets and preserve them for future generations.

## Ocean charters gas carriers for 20 years

BY JAMES McDONALD, SHIPPING CORRESPONDENT

NV GASTRANSCO SA of Antwerp—an associate company of Ocean Transport and Trading (Ocean) and Netherlands Shipping Union Group (NSU)—has arranged a 20-year time charter for the two liquid natural gas carriers, which are now being built at St. Nazaire by Chantiers de l'Atlantique.

The charterer is Pacific Indonesia LNG Company, of Los Angeles, a subsidiary of Pacific Lighting Corporation whose major subsidiary is the Southern California Gas Company, one of California's largest utility companies.

The ships will be used to transport LNG from Northern Sumatra, Indonesia, to South California and the project is expected to begin in the second half of 1979.

The charters, which allow for full escalation of operating costs, are subject to the approval of various Governmental agencies, including the Federal Power Commission of the U.S., which is expected to come to a decision before January 1, 1977. A second construction of shore-side facilities can be arranged within six months after the necessary approvals have been obtained.

The two ships remain at their owners' disposal from their delivery by the yard (mid-1976 and mid-1977 respectively) for trading in the LNG and LPG markets until their delivery to Pacific Indonesia.

The first vessel, now being fitted out, will be owned by Zodiac Shipping Company, a subsidiary of NSU, and the second will be owned by Odysseus Trading Company, a Bermuda, an Ocean subsidiary. Each ship will have a cargo capacity of 123,000 cubic metres of LNG, equal to 73m. cubic metres of natural gas after regasification. This equals the present yearly consumption of gas for domestic and industrial use of a city of 80,000 inhabitants.

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## Economic Diary

GOVERNMENT, industry and unions discuss industrial strategy at Chequers meeting of the National Economic Development Council on Wednesday.

Other events and statistics next week include:

MONDAY—Chrysler shop stewards and union conveners holding meetings in Coventry on company's crisis.

TUESDAY—Sterling gold and convertible currency holdings at end of October. Capital issues and redemptions (Oct.). CBI employment, policy committee meets. Blastfurnace's pay inquiry hearings.

WEDNESDAY—Parliamentary Labour Party special meeting on economic situation. Two-day meeting of EEC Council of Ministers opens in Brussels. Clearing banks' aggregate figures for deposits, liquid assets and advances and U.K. banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid-Oct.). Financial Times two-day conference opens on Inflation Accounting—the implications of the Sandilands Report, London Hilton.

THURSDAY—President Sadat of Egypt arrives in the U.K. on official visit. CBI Industrial Trends Survey (Oct.). Institute of Directors' annual convention. Royal Albert Hall. Sir Robert Mark, Commissioner Metropolitan Police at Metropolitan Police Federation meeting. Vehicle production and new car registrations (Oct.—prov.).

FRIDAY—President Sadat at City of London church, Mansion House. London Gazette will include Consolidated Fund and National Loans Fund (Oct.).



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## Motoring



## Solid and luxurious

BY PETER FOSTER

THE WORD "crashability" is not particularly attractive, but even if it wins few prizes for original copywriting it just about sums up what sets the Volvo 240 GL, and indeed the whole 1975 Volvo range, apart from other cars.

Although most models introduced this year have derived features from the extensive safety research work carried out by the major motor manufacturers, no vehicles are so obviously safety-based as the Volvo 240 and 260 series, with their jutting "low profile" bumpers and their look of tank-like solidity.

The ability to hit a brick wall head-on at 40 mph is hopefully one that drivers of the new 264 are not going to put to the test too often and I fortunately managed to avoid it during my week with top-of-the-range GL. Nevertheless, it is a quality which I had to bear in mind all the time I drove this expensive car, since otherwise I might have felt somewhat cheated by its relatively low—although not exactly sluggish—performance levels.

I did, however, come to appreciate its other luxurious features, to which, with a price tag, including car tax and VAT, of £5,596, one should perhaps feel entitled.

From the mechanical point of view, one of the interesting points about the 264 series is that it uses the all-aluminium

VS engine developed jointly by Volvo, Peugeot and Renault in France. The low-weight unit is already incorporated in the Renault 30 TS—which is due to be introduced into the U.K. in the autumn—and in the new Peugeot 604.

However, having seen and driven the new Renault in France, I should think that it may present some competition to the Volvo, given that it is likely to be more than £1,000 cheaper.

The 264 GL is an unashamedly luxury car, incorporating power-steering, automatic transmission, air conditioning, inertia reel belts, electric windows, and that feature which somehow seems the height of over-specification in this country but which is highly useful elsewhere, wipers and washers on the halogen headlights.

The weight of the car means that the power unit—although, with the benefits of fuel injection, it has an output of 140 bhp—produces a relatively sedate performance, with 0-60 mph coming in just under 12 seconds and a top speed of very little more than 100 mph.

Nevertheless, the level of creature comforts in the GL made it a pleasure to drive. The attractive cloth-covered seating seemed surprisingly hard at first but support was excellent and the sofa-like back seat earned full marks from passengers.

The precise and firm British-

## Golf

## Australian 'willy-willy'

BY BEN WRIGHT

SYDNEY, Oct. 31.

ANY GOLF enthusiast who has endured the equinoctial gales at Turnberry in September in recent years will have thought with some justification that the elements could hardly have treated him more shabbily. But those thousands who luckily survived a two-day battering at Victoria Golf Club, Melbourne, washed or blown out on two successive days, could justifiably claim that the Australian weather on this occasion was far worse.

## Lightning

When I say I survived, it is certainly no exaggeration. Two players were sheltering under an umbrella that was struck by lightning at the frightening stage when a storm that arrived at unbelievable speed reached its peak, and suffered only shock and minor burns. But what the Australians call a "willy-willy", which is in effect a mini-tornado, then blew in and out with equal swiftness to devastate the splendidly designed tented village.

In all my 21 years of watching golf, I have never seen anything like it, as human bodies were tossed around in many fine trees that were rudely uprooted.

Guy Wolstenholme, the former Walker Cup golfer and English Amateur champion of 1956 and 1959, who is now a touring professional domiciled in Melbourne, stands 6 feet 3 inches tall and is certainly no lightweight. But he was bowled down the 18th fairway like a rubber ball, finishing muddy, considerably frightened but thankfully unhurt.

Two giant scoreboards measuring 35 feet by 56 feet, one the main scoreboard, perched on a high platform, were knocked flat in seconds. Three men operating the main scoreboard had to jump for their lives, and suffered nothing worse than severe bruising. As three golfers walked on to the 18th green, they suddenly went into reverse, which was amusing to watch for those in the safety of the clubhouse, as was a sky seemingly half full of golf

umbrellas flying away towards the Antarctic.

Tales of woe were legion, but thankfully those who told them had no serious injury to show for their ordeal. The downpour the following day had to be seen to be believed. All I know is that I was interviewing Gary Player on television when it flooded a golf course based on pure sand on Melbourne's famed sandbar—a very unlikely happening.

Viewers in the clubhouse confirmed later that the rain was so heavy, we actually disappeared behind the wall of water. Certainly we were soaked to the skin in a matter of minutes.

Player was expressing an opinion that I share, namely that every round of tournament golf that is started should be finished, even if it takes two or three days to do so between storms. Rounds should never be completely abandoned, as was the case on both days in the Wills Masters.

On Friday, before the "willy-willy" struck, two-thirds of the field had completed their rounds. On Saturday the downpour became really torrential when about half the field were back in the clubhouse drying out.

## Fine scores lost

The consequence was that many fine scores were lost, and even more poor ones were thankfully discarded. Thus the pleasant American, John Topel, was allowed to leave the tournament for nearly 3½ days, having been able to get away with scores of 78 and 76, while another American, Fred Clark, played 72 holes and didn't make the cut because his two bad rounds were those that counted.

An Australian, Wally Gale, who had an eventual tournament, eventually being disqualified for a 72 that should have been 73, made the cut, but only after having to discard his two best scores.

As if this wasn't all crazy enough, Bob Murphy, the American Ryder Cup golfer, had a hole in one that wasn't, so to speak. It was abandoned during the second round and was achieved at the 155 yard 14th hole with a seven iron that pitched four feet past the hole and backed up into it. This was an exact replica of two of Murphy's other

aces, all of which have been recorded on the U.S. professional tour, and all of which have earned him some kind of award.

The final sensation of an extraordinary tournament that was eventually finished in brilliant sunshine by playing 36 holes on Monday, was that the eventual winner was almost disqualified. David Graham, the Australian domiciled in Florida, won by two strokes, but only after a protest against him to the PGA March Committee had been rejected.

Graham's American tour caddy, Steve Hulka, had been caught red-handed, or rather hot-footed, on the course soon after dawn on Monday, making measurements after the day's play had started. Under Australian PGA rules caddies are only allowed to chart the course before play begins. But because Hulka is over here on holiday at his master's expense, and had no knowledge of the rule, a lenient view was taken of the affair, and Graham escaped with a caution. The golfer is held responsible for his caddy, and Graham could have been penalised two strokes or disqualified.

As it was Hulka drove back to the hotel to pick up his master, and found him asleep in bed an hour and a half after he should have received his wake-up call, Graham's frantic rush—hurrying is very much out of character to perhaps the most deliberate golfer in the world—failed completely to disturb his composure. And he had to play 36 holes on a glass of orange juice.

## Jack Nicklaus

And so to another probable victory—which would be his fourth—for Jack Nicklaus in the Bulletin Australian Open, named after the magazine that is sponsoring the event. Billy Dunk, the diminutive, bespectacled Australian, yesterday added to an unbelievable collection of course records with a 65 at the Australian golf club here. But behind Fred Clark and the local amateur Eric Cooper on 68, is Nicklaus on 67, while Scotsman Norman Wood from Turnberry, despite jet lag, recorded a creditable level par round of 72. Wood, alas, is the only British representative in the field.

## Bridge

## From an autumn collection

BY E. P. C. COTTER

IN THE Daily Telegraph Book of the lead, the declarer had to of Bridge (Robert Hale £2.90), call on Avoidance Play to help G. C. H. Fox has gathered him. To this end he led the together hands from World Knave of diamonds, happy to Championship level to rubber lose the trick to East. Winning Bridge of modest standard. 1 with the Queen, East sent back always like Mr. Fox's work, the club Queen, which South because he teaches, and I have let run to dummy's King. This no hesitation in recommending was important, for in case the his latest book, which will both diamonds did not break, the instruct and entertain you. spade suit would have to be tried, and the club Ace was needed as an entry back to hand.

Let us study this deal from a duplicate pairs contest:

N.		E.	
♠ 8 2		♠ Q 7 5	
♥ 9 6 4		♥ K Q 10 7 3 2	
♦ A K 7 4 2		♦ Q 10 6 5 3	
♣ K 9 8		♣ Q J 10 5	
W.		S.	
♠ J 10 9		♠ A K 6 4 3	
♥ K Q 10 7 3 2		♥ A 8 5	
♦ 9		♦ J 8	
♣ 6 4 3		♣ A 7 2	

South dealt with East-West vulnerable and opened the bidding with one spade, to which North replied with two diamonds. South now said two no trumps, a rebid which announces a hand of some 15 to 16 balanced points, and North raised to three no trumps. This is the sequence which any experienced tournament pair would employ.

West, of course, led the King of hearts, on which East followed with the Knave, and South ducked. This was the correct play, because East would have played the Knave even if he had another card with it, in order to make the position clear to his partner and show that it was safe to continue if he was leading, as was almost certain, from a suit headed by King, Queen, and ten. The Queen of hearts came next, and when East let go the five of clubs, South won with his Ace.

As West had to be kept out at all of defeating the contract.

To explore this second string, South led the two of spades from the table and won with the King. On this West dropped the Knave, to draw his partner's attention to the fact that he held 10 as well. The declarer now continued with the diamond eight, in the hope that West had started with ten, nine alone, but when a club was discarded, he had to win with dummy's King, cash the Ace, and pin his faith on the spades.

The eight of spades was led—you see how important it is to lead the spade from the table, for if South leads the Ace, East can jettison his Queen. As it is, if the Queen is played, South lets East hold the trick, thus putting paid to West's hopes of getting in with the Knave. In actual play East played low, the Ace won, and a third spade went to East's Queen. East could cash the ten of diamonds, but South made his contract with his four spades, two diamonds, two clubs, and a heart.

At one table an expert East gave the declarer no chance of showing his knowledge of avoidance play by the simple expedient of jettisoning his Queen of spades on the second round of hearts. This was no hollow d'essai, but a logical defence. For his rebid of two no trumps South must have the Ace of clubs, so that West's, only possible entry-card, which would allow him to enjoy his established hearts, was the spade Knave. If the declarer had Ace, King, and Knave of spades, then there was no hope

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## FT CLIPPER RACE

## Overboard Dutchman is rescued

BY ALEC BEILBY

TRAGEDY ALMOST struck the Wednesday when Frederick Faber, a steel worker from Harlingen in the Netherlands, was swept overboard the Dutch ketch Great Escape in heavy seas and gale force winds 600 miles south-east of Cape Town.

Fortunately his life-line was attached to the yacht. The line and harness, both made to meet the stringent safety standards laid down by the race organisers, held and he was hauled back aboard the yacht within minutes.

The crew reported waves of up to 30 feet in height and during the crisis they broke an alloy spinner pole and lost the sail but no injuries were suffered either by Faber or the rest of the watch on deck at the time.

Five thousand miles further east, in the Great Australian Bight, the struggle continues between the two leading yachts Great Britain II and the French ketch Kriter II.

## Slowed

Following daily runs of 300 miles and more, both yachts, still within reach of the 69 day record set by the clipper Patriarch 105 years ago, are not only competing against each other but also the clock.

The winds have dropped to a mere seven knots as the yachts, now slowed to 120 miles a day, approach the Bass Strait between Tasmania and the mainland of Australia.

The decision to pass north of Tasmania may, according to observers in Sydney, be a cardinal error and the sailing instruction compiled by clipper captains and the Royal Navy 100 years ago certainly recommend the southerly course.

Members of the Cruising Yacht Club of Australia, in Sydney, are already pessimistically predicting

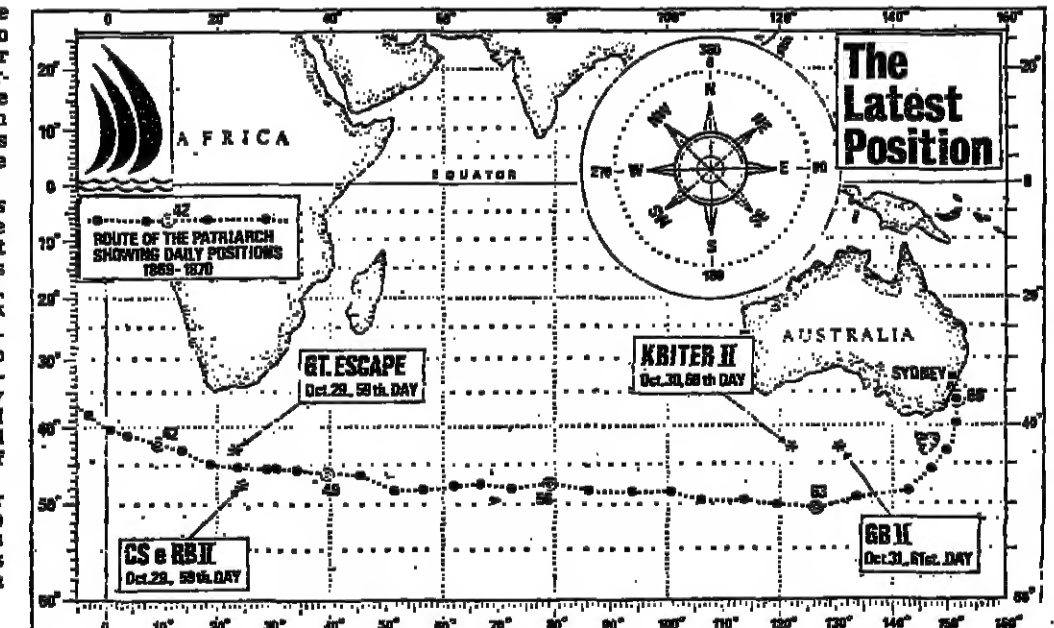
## LATEST POSITIONS

Great Britain II	Oct. 31	0240 GMT.	43.25°S, 120.20°E
Kriter II (France)	Oct. 30	0901 GMT.	42.00°S, 121.45°E
Great Escape (Hol.)	Oct. 29	1800 GMT.	43.00°S, 23.18°E
CS and RB II (Italy)	Oct. 29	1200 GMT.	47.30°S, 24.40°E

## Long-range forecast

## Unsettled, then colder

WEATHER in November is expected to be rather unsettled at first, becoming colder later. Above-average temperatures in most areas are forecast, although temperatures in E and NE Britain will probably be near average.



the Patriarch's record will stand the test of time and, true to traditional Australian custom, money is being wagered on the finishing times of both yachts.

Once through the Bass Strait they will sail north to Sydney and will need to stay well offshore to avoid the adverse coastal current and the forecast light coastal breeze. Again, this is recommended in the old sailing manuals.

## Hopeful

Until they met the lighter weather Great Britain II, 270 miles ahead of Kriter and now on the same latitude, was almost six days ahead of the comparative daily position of Patriarch

and Kriter was five. They are now three and two days ahead respectively, but Patriarch passed south of Tasmania.

In spite of the pessimism in Sydney, both crews, though reporting frustration with the wind, are still hopeful. Great Britain has noticed that she hopes to be in the strait by the weekend and Kriter's crew have reserved a table for dinner in Sydney in the middle of next week.

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1972 (Nov.) Silver Shadow 4-door Saloon finished in Silver Mink with Dark Blue hide upholstery. Compliment suspension. One owner. Recorded mileage 7,500. £10,700

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## Travel

## Shooting, hunting and fishing

BY MICHAEL THOMPSON-NOEL

COMPARED WITH two or three years ago, when the great sporting land boom was at its height, the cost of sporting rights and properties in Britain has fallen by 50 and 60 per cent, a reflection of the general economic gloom. This in turn has brought the cost of a day's sport hurtling downwards. It is still fairly expensive—more than half the clients on the average Scottish grouse moor these days are foreigners who have flown in by private jet—but for anyone contemplating a sporting break this winter, prices now seem reasonable.

For example, a typical Scottish autumn holiday can be enjoyed at the 38-bedroom Forest Hills Hotel at Aberfoyle, Perthshire, which overlooks Loch Ard and Ben Lomond in the Trossachs. Like its sister establishment, the Loch Rannoch Hotel at Kinloch Rannoch, Forest Hills offers a full range of sporting activities at autumn harvest prices.

It has 19 acres of its own, including a waterfall and rainbow trout pool, and visitors can fish, shoot, row and sail as well as enjoy the hotel's amenities. There is also an 18-hole putting course. Salmon fishing on the Rivers Forth and Teith is within 20 minutes' reach while closer at hand one can fish for brown trout in Loch Ard for 75p a day plus £2 boat hire. In turn, the brown trout in Lake Monzie is within 15 minutes' reach by car.

The shooting at Forest Hills takes place throughout the surrounding forests and on the high ground property of the Forestry Commission. The basic charge for deer stalking is £1.75 per hour in the company of a ranger, and there are graded trophy fees: £3.50 for a red deer stag (£100 for a 12-pointed), £6.25 for a roe buck, £10 for a hind, and so on. You supply your own gun.

The annual three- and four-night end-of-season offers at Forest Hills, where the atmosphere is totally relaxed and the food a delight, are £21 for Friday, Saturday and Sunday nights—bed and breakfast—or £24 for Monday, Tuesday, Wednesday and Thursday nights. VAT and service included. You can either fly to Glasgow or take the fast London train to Glasgow Central or Stirling stations, where cars will meet you from the hotel.



Grouse shooting in Scotland or on the Yorkshire moors comes rather more expensively. Prices fluctuate considerably, depending on demand, but in Yorkshire a day's shooting for a full party will cost around £1,000 a day for a party of nine guns and a bag of 70-120 brace. For that you get the assistance of the keeper and the beaters. You also get drinks but bring your own lunch.

In Scotland, on the Seafield family estates in Banffshire, Inverness-shire and Morayshire, the charges range from £20 to £150 per gun per day. Apart from salmon and trout, grouse and deer, Scotland is equally famous for pheasant and woodcock. £100 for a 12-pointed, capercaillie, woodcock and duck.

There are a number of agencies and travel firms which organise sporting holidays, among them a firm called Enjoy Britain and the World, run by Miss Erna Low. This company offers a full range of sporting winter breaks (including skiing), all of which are cleverly devised.

Typical in the week-end section, for example, is the hunting week-end in Wales (mid-October to the end of December). The idea is to combine some day-time hunting with fine evening dining. You

stay in the farmhouse at Castell Howell, Llandysul, Dyfed, or in one of the old cottages nearby, and take your dinner in the farmhouse restaurant. The cost per person (from Friday dinner to lunch on Sunday with hunting the previous day) is £35.

For those who like to take their sport at a slower pace, the company also organises backgammon and bridge week-ends, and riding week-ends and holidays at Ingledon Park, Tenterden, in Kent—a week's stay including full board, VAT, service, and 12 hours' riding, costs £60. In addition, from February onwards, there is a series of bird-watching and fell walking expeditions based on St. Monica, Morecombe, Lancashire; and there are golfing week-ends and mid-week breaks based on the Beech Hill Hotel, Windermere, in the Lake District.

Apart from fox hunting in Wales, there are plenty of opportunities in Leicestershire and in the Cotswolds. One of the best hotels for this purpose is the Lygon Arms at Broadway in the Cotswolds, which dates to at least 1532 and which in 1971 became the first country hotel to be given the Queen's Award for Industry for its successful appeal to overseas visitors.

Broadway is on the Worcestershire-Gloucestershire border and the Lygon has 74 rooms. Charges from November 1 will be a basic £19.75 for a double room with bath, exclusive of service, VAT or meals, although there are reduced rates available for two- and three-night stays.

If you wish to hunt you can do so with the North Cotswold, a typical Cotswold farming hunt which meets on five days a fortnight: every Wednesday and Saturday. There are numerous livery stables in the area and a day's hunting costs £8. You will need to apply in advance to the master of the Cotswold for a temporary membership, but this can easily be arranged through the hotel.

For non-hunters there are a number of nearby golf courses, the race tracks at Cheltenham, Stratford, Worcester and Warwick, and plenty of excellent fishing. Stratford and Cheltenham (for shopping) are within 15 miles and Worcester (where those of the Royal Worcester Porcelain museum and factory can be arranged) only ten miles further. Broadway is best reached by car, but there is a good rail connection from Paddington to Moreton-in-Marsh.

A sensible tip for all sporting holidaymakers is to check on insurance, temporary game licences, firearm import requirements and appropriate clothing well in advance. In most cases, horses and equipment can be hired on the spot. Finally, for those who would like to heed the call of the great outdoors but feel they are not yet in shape, the Beech Hill Hotel at Windermere offers what it describes as tonic week-ends. These run from Friday to Sunday afternoon and at a cost of £25 per person the hotel will help you fit with a spell of special slimming foods, sauna, solarium, massage and slendertone treatment. For those who are really determined, a week's tonic treatment costs £85.

Forest Hills Hotel, Aberfoyle, Perthshire (Kinlochard 277).

Enjoy Britain and the World, 21 Old Brompton Road, London, S.W.7 (01-584 4545).

Lygon Arms Hotel, Broadway, Worcs. (025-681 2255).

## Gardening

## Saving greenhouse fuel

BY A. G. L. HELLYER

THE SUGGESTION that much of the latest increase in the price of crude oil will be loaded on to fuel oil prices rather than petrol is bad news for greenhouse owners. Even those who do not heat directly with paraffin stoves or from oil fuelled boilers will almost certainly find that alternative fuels have risen comparably in price and, of course, the cost of electricity must be affected since so much of it is generated by oil fuelled power stations.

## False economy

No doubt one result will be that far fewer greenhouses will be heated continuously this winter, but this can be false economy if it means that valuable tender plants are lost. It only needs a few hours' frost to kill perennials and they will be even more expensive to replace next spring just because of the increased fuel costs incurred in their production. So really the sensible thing is to examine all possible methods of economising fuel without running undue risks.

Thermostatic control is one obvious fuel saver. A great many plants, including perennials, will survive provided the temperature never falls much below 7 deg. C (45 deg. F) and since for much of the winter the outdoor temperature is likely to be above that, heating may only be necessary occasionally.

Everything depends upon the weather. It is the prolonged cold spell, even if the temperature does not fall much below freezing, that does most harm since it takes all the stored heat out of the greenhouse and unless it is replaced artificially the temperature inside will soon differ very little from that outside. Short sharp snaps may be survived on stored sun heat alone or with no more than a few hours of artificial heat, but one mistake can be fatal.

That is where a good thermostat is so useful. It is a constant watchdog, there day and night whether one is at home or away, to turn on the heat directly there is danger and to turn it off again the moment the danger is past. A thermostat alone can easily save half the winter fuel bill and if it gives one the confidence to opt

for a slightly lower minimum temperature than one would otherwise risk, the saving could be considerably greater. But there is all the difference in the world between keeping plants alive and getting them to grow, which is essential if early crops or seedlings are required. I made the mistake last spring of cooling off some seedlings too quickly after rearing them economically in a well heated propagator and it took many weeks for them to recover.

Tomatoes, which are pretty good indicators of the requirements of many tender plants, need a minimum night temperature of 13 degrees C (56 degrees F) rising to something like 21 degrees C (70 degrees F) by day to keep them growing fast and many commercial growers do not start to give ventilation until the temperature inside the house reaches 26-27 degrees C (80 degrees F). This is far above what amateurs usually aim for and explains why early tomatoes cost so much.

High temperatures by day are of little help—and it may even cause growth to become drawn and weak—unless accompanied by good light, which explains why most commercial glasshouse establishments are in areas of high average light intensity and also why some growers use artificial light, especially in the early stages of seedling growth.

Amateurs usually have little choice about the district in which they garden and lack the expertise to manage artificial lighting. In these circumstances they are well advised to defer all sowings until March when days are lengthening rapidly and natural light intensity is increasing. They may also observe that there is little point in pushing up temperatures artificially by day when the light is poor and this is another way of economising fuel.

Thermostats, once dependent for their operation on electricity, are now available as purely mechanically operated devices. I use a Shilton natural gas heater with a self-contained thermostat of this kind and this certainly saves a lot of fuel. I have no mains gas supply and have to use "bottled" propane, which like other forms of natural gas can be burned inside the greenhouse without risk of fume damage to plants, or three years.

## Saleroom

## Dutch Old Master fetches £27,300

BY ANTONY THORNCROFT

THERE WAS pleasurable surprise at Christie's yesterday when a sale of Old Masters produced some outstanding prices. The most exceptional was the £27,300 paid by David Koeter, the Swiss dealer, for a painting by the 17th-century Flemish artist Isaac van Oosten. It was an attractive picture of peasants and wagons in a village, but the price was way ahead of the rather cautious pre-sale estimate of £5,000-£6,000.

There were other very good prices in a sale which totalled £396,992. For example, a private buyer was prepared to pay £12,600 for a Madonna and Child with Saints which Christie's had catalogued as by M. di Giovanni (which in the short-hand of the salerooms means that the painting is of the period of the artist and may be in whole, or part, his work). The forecast had been £3,000-£4,000.

A still life by Cornelius de Heem was bought by Fell for £2,200 and Fischer gave £4,755 (within estimate) for a painting by Claude Joseph Vernet of a rocky bay. The same price was paid by Fell again for a river landscape by Jacob van Ruisdael (below estimate). An Italian buyer paid £3,675, much above expectation, for a painting by Luca Giordano of St. Sebastian tended by St. Irene.

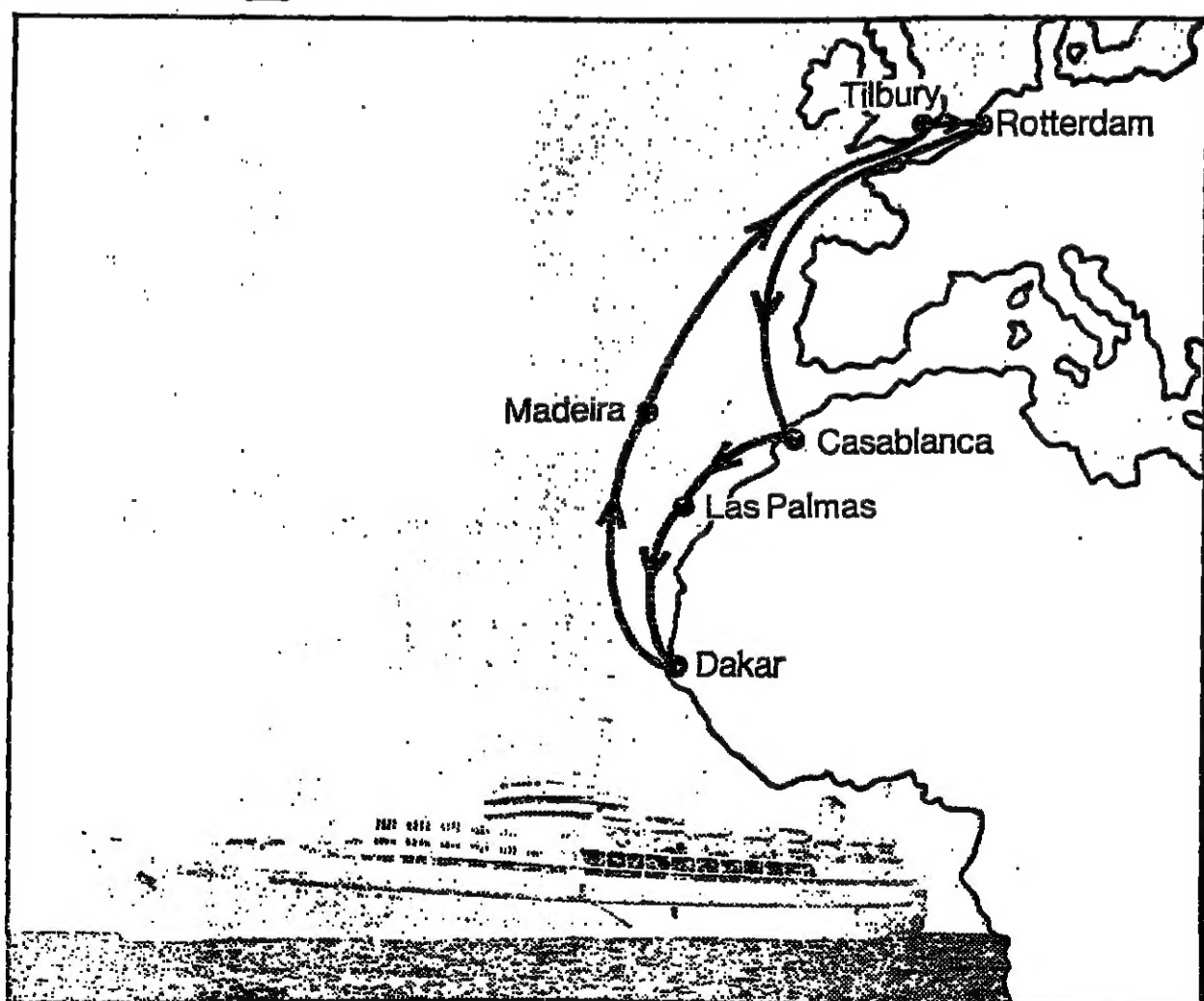
One section of the sale included works from Chatsworth House. The best paintings from the collection will be sold at Christie's next big Old Masters sale on November 28, but these minor works brought in £4,020, with a high £3,675 for a painting of St. Jerome by Lubin Baugin.

Stanley Gibbons completed a two-day general auction of postage stamps and brought in £30,100. Forty unused sets of Great Britain 1969 10s and £1 "machine head" definitive stamps, with a face value of £60, sold for £48.

Sotherby's held a fairly good furniture sale which made £81,737. A Dutch 18th century walnut marquetry armoire went for £4,000 (above forecast) and a late 16th century Flemish game park tapestry was within forecast at £2,500.

Other Sotherby's sales included the dispersal, for £58,084, of the Marion S. Riseman collection of Tiffany Glass in New York, including £18,313 for a 1902 glass and bronze red oriental poppy lamp, and £100,854 from a Sotheby's sale of 19th-century portrait paintings, with £27,608 for a small Renoir.

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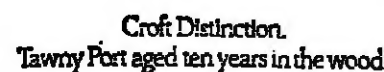
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## by Lucia van der Post



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## HOME NEWS

# Sir Brian Morton is new Harland chief

BY JAMES McDONALD, SHIPPING CORRESPONDENT

SIR BRIAN MORTON has been appointed chairman of Harland and Wolff, the shipbuilding firm, in place of Lord Rochdale, who resigned after last month's election.

At the same time, Mr. J. A. Watt, the deputy chairman, is resigning from the Board together with Mr. E. R. Holstrom, an assistant managing director, and Mr. Niall Charlton, non-executive director.

Mr. W. G. Downey, who was on the project teams investigating the Harland and Wolff last year, has joined the Board as one of the Government's nominees.

Mr. Alec Cooke, another Government nominee, is already on the Board.

Sir Brian, who is 63, is an established Northern Ireland personality with many links with business and politics. He was chairman of the Londonderry Development Commission until 1973 and was successful in bringing a lot of industry into the area.

He comes from a long line of shipbuilders and in 1938 set up his own firm of estate agents, Sir Brian Morton and Co., which is now regarded as the premier estate agency in Northern Ireland. He retired from the firm in 1964. He is a director of Harland and Wolff, Belfast, and is also a director of the Bank of Ireland.

The announcement of Sir Brian's appointment was made in the Commons yesterday by Mr. Stanley Orme, Minister of State at the Northern Ireland Office.

After Lord Rochdale's resignation, Mr. Orme said that he was looking for a man prepared to lead the shipyard at home and abroad—not in the sense of a sense of duty, but in the sense of a man who was able to work with new techniques of industrial democracy.

## Job scheme meets with good response

BY OUR LABOUR STAFF

THE GOVERNMENT'S job creation scheme under which the Manpower Services Commission subsidises projects of social value in order to stem unemployment has met with "overwhelming response," it was reported yesterday.

According to the Department of Employment's broadsheet, DE News, published yesterday, some 200-300 inquiries have been received from would-be sponsors since the scheme was launched three weeks ago.

There are 80 firm projects under consideration and another 40 are being prepared. Only one, however, has so far started—cleaning up beaches in Sunderland. Another two will begin next week.

These involve improving the verges of the M3 motorway near Eilemure Port on Merseyside, where 33 people will be employed, and work in an Oxford warehouse in Huddersfield, which will involve 25.

The scheme aims to create 15,000 short-term jobs especially among the young, and £30m has been allocated by the Government to the organisers—the commission—to pay the projects' wage bills.

The DE News, with a circulation of 100,000 among workers and managers, also carries a double-page guide to training and other services available for the unemployed.

## Directors may move their headquarters

BY LORNE EARLING

THE INSTITUTE of Directors is considering selling its Belgrave Square headquarters and moving to new premises, possibly a large club building in the West End.

The institute, which last year made a loss of £180,000 and is raising the subscription for its 43,000 members, sees the move as a means of raising capital and also providing more suitable premises.

Mr. Jan Hildred, director-general of the institute, said yesterday: "We are looking for more suitable premises to meet our members' future requirements, though we are not going to be rushed into making any move."

It is felt that the Belgrave Square offices and library, which are housed in four leasehold buildings, three of them now a single unit, would be suitable for use as an embassy. However, a change of use would have to be approved first.

The club which is being considered is understood to be large enough to provide for all the institute's needs and is also suitable in that its tenants are required to be a non-profit-making organisation.

Like many similar organisations, the institute has been forced this year to raise subscriptions substantially, from eight pence to 12s and 6d to £30. But it is feared that this will lead to a drop in membership, with subsequent loss of revenue.

## Adamson defends Britain's stand on pollution

FINANCIAL TIMES REPORTER

BRITAIN'S approach to European pollution control proposals was vigorously defended by Mr. Campbell Adamson, director-general of the Confederation of British Industry, last night.

This approach has been heavily criticised recently by Britain's partners in the EEC.

Mr. Adamson, speaking in St. Peterburg, Germany, said that to see the disagreement in proper perspective it was necessary to look back to the proposals contained in the EEC's original environmental programme.

As its broad objective, the EEC programme envisaged a three-stage approach to the abatement of pollution: firstly, the determination of the technical criteria for pollutants; secondly, identifying the necessary environmental objectives; and thirdly, application of the required controls to meet these objectives.

"The current difficulties in Brussels arise from the fact that the Commission have bypassed the first two stages in the programme, no doubt under pressure from some quarters, and moved into the sphere of control of discharges of effluents and

### Wasteful

"In our view, the proposed deviation by the Commission from their original programme could result in an approach to abatement of pollution which is illegal, irrational and likely to be counter-productive," Mr. Adamson said.

It will certainly result in the wasteful use of the resources—technical and financial—which are available for this purpose.

"Finally, we should like to stress that the CBI is not seeking to change or block any action by the EEC on abatement of pollution—we are simply seeking that they apply the concepts contained in their original programme."

## National Car Parks to remove disclaimers

BY ELINOR GOODMAN

NATIONAL Car Parks, which has a virtual monopoly of privately owned town-centre car parks, has agreed to take down notices disclaiming all responsibility for accidents which might happen to a car while it is in the car park.

The decision follows discussions last year with the Office of Fair Trading, and by Christmas all such notices should have been removed.

As a service operator, NCP is technically entitled under the law to use "exclusion" clauses in its terms of contract. These have meant that even if one of their employees has driven a customer's car into another car, the company has not been liable under civil law.

Though NCP says it has usually made "ex gratia" payments to aggrieved customers in such circumstances, it has continued to display notices disclaiming responsibility for accidents which happen on its premises.

This had led to bad publicity and last year NCP approached the Office of Fair Trading for advice on how the light of expected change to be made to the law relating to use of exclusion clauses service agreements.

Though the company, in fact, agreed to make the change in August of last year, notices still have not been removed. NCP says the delay is due to the fact that

## Chrysler shop stewards prepare militant campaign for Government intervention

BY TERRY DODSWORTH AND JOHN WYLES

CHRYSLER shop stewards yesterday began preparing for a militant campaign which will call for Government intervention if the company decides to shut down its British operations.

Their views were echoed by Mr. Eric Keffer, former junior industry Minister, who said that the Government should nationalise the company in the event of closure.

But it became clear yesterday that there is already a significant undercurrent of feeling among Labour MPs opposed to halting out Chrysler U.K. The large sums of money committed to British Leyland have caused considerable disquiet among MPs, and many feel that no more can be spared on the industry.

Chrysler needs at least £35m. for a new model, and probably much more to return to an even keel.

### Questions

Mr. Keffer argued yesterday that unemployment is already too high in Britain to allow further thousands of "hard working people to be thrown out of jobs. We must allow British workers to be in pawn to decisions made in the U.S."

Unemployment is bound to be one of the major issues, along with Chrysler's impor-

tant Iranian export contract, in the coming struggle for the future of the company.

The shape of the union campaign will start to emerge on Monday at separate meetings of shop stewards at the company's main plants in Coventry and at Linwood in Scotland. These meetings are expected to demand an urgent meeting with Mr. John Ricardo, Chrysler's American chairman, and to draw up a list of questions for answer by the company at key talks on Wednesday.

It is still not clear when Mr. Ricardo, whom the Government is hoping to see in London next week, will be coming to Britain. "Though he is expected" in the near future, Wednesday's union meeting was originally scheduled to discuss short-time working, but Chrysler has heightened its union fears by widening the agenda to include a review of its current difficulties.

The meeting is likely to feature angry protests from the unions that Chrysler, which is committed to extending worker participation, has allowed speculation about its plans to run riot.

Mr. Liam Byrne, a chief shop steward at the Avenger car plant at Byton, Coventry, described the current shop

floor mood as one of "anger and frustration."

Meanwhile, workers at the Linwood plant in Scotland have set up a fighting fund which will be used, if necessary, in the campaign to save jobs.

### Components

Peter Foster adds: Chrysler's raw material and component suppliers and its 800 dealers have been trimming their margins levels for some time in the wake of the downturn in the new car market. Lucas, for example, has shed around 7,000 staff on the motor side of the business so far this year.

Dealers are concerned about the impact of adverse publicity on sales and many are already looking around for alternative franchises. There is no doubt that many dealerships would be taken over by other companies, although Ford and British Leyland pointed out that this would be on a strictly selective basis.

A number of importers, who have taken record shares of the U.K. market this year, are considered to be likely bidders, although again, only for selected sites: Volkswagen, for example, wants to increase its dealer network by about 25 outlets, in order to achieve a one per cent growth next year.

The possibility of dealerships going to importers, and thus giving them the vital centre to the British market, is another of the factors which the Government must bear in mind in determining its policy towards Chrysler.

pointed out that sales to other motor manufacturers would increase in the event of a Chrysler shutdown.

Component manufacturers have been trimming their margins levels for some time in the wake of the downturn in the new car market. Lucas, for example, has shed around 7,000 staff on the motor side of the business so far this year.

Dealers are concerned about the impact of adverse publicity on sales and many are already looking around for alternative franchises. There is no doubt that many dealerships would be taken over by other companies, although Ford and British Leyland pointed out that this would be on a strictly selective basis.

## Only united ANC can avert Rhodesia conflict—Callaghan

BY JUSTIN LONG

WITH GRAVE warnings that the whole of Southern Africa could become engulfed in armed conflict over Rhodesia, Mr. James Callaghan, Foreign Secretary, yesterday appealed in the Commons to the divided leaders of the African Nationalist Council to resolve their differences.

The Foreign Secretary hoped that it was not yet too late for the African leaders to agree on common objectives for a peaceful settlement of the Rhodesian issue. But he laid the prime responsibility on Mr. Smith's illegal regime for the breakdown of this year's efforts to avoid the drift to disaster.

"Events are closing in and Mr. Smith has little time left to choose which path he intends to take," said Mr. Callaghan when MPs debated the Order for continuing sanctions on Rhodesia.

In their own interests, the White Rhodesians must start seriously to look for the alternatives which took account of the racial balance between 5m. black Africans and 300,000 Europeans.

The choice "They are done no useful service by those who tell them that the choice for them is between oligarchy and anarchy," said Mr. Callaghan.

"The choice is between ultimate defeat—however long delayed—and a chance of a multi-racial society. A number of White Rhodesians understand this very well, and I pay tribute to them."

If the attempts to negotiate a settlement failed then the drift towards armed racial confrontation would begin in earnest. And not only Rhodesia, but all her neighbours would be sucked into such a conflagration.

On the British Government's arm commitment to the process of negotiations—of which sanctions were an essential part—Mr. Callaghan renewed his undertaking to call for the convening of a constitutional conference when the time was right.

A precondition for calling it together, he said, would be the elements for a settlement existed. "Only in extreme circumstances would it be worth calling it together as a last-ditch enterprise," he told MPs.

Mr. Reginald Maudling, "shadow" Foreign Secretary, promised full Opposition support for all Government efforts to help towards a settlement. "But we must recognise that Britain's ability now is limited to the exercise of such influence as we still have, particularly with the neighbouring States outside and around Rhodesia," he said.

In a clear warning to three backbench Tories of the Rhodesia lobby who have voted each year against continuing sanctions, Mr. Maudling said that with pressures now developing, which might help to bring about a settlement, it would be quite wrong to oppose the continuation of sanctions.

With the Opposition abstaining, the Sanctions Order was approved by a Government majority of 70 (53-13). This showed that the hard-core of the Rhodesian rebels of recent years had dwindled from the 23 Tory backbenchers who had voted against sanctions last year.

## Brick production up

FINANCIAL TIMES REPORTER

BRICK production in September rose 18 per cent according to the Department of the Environment. Figures released yesterday show that output by brick producers rose from 369m. in August to 438m. Deliveries rose from 420m. to 501m.

By the end of September, the Department's provisional figures indicate that stocks of bricks in Great Britain amounted to 557m. month.

## Construction blow for oil yard

By Our Darlington Correspondent

TWO OIL companies dealt a blow yesterday to the campaign for urgently needed oil rig construction work in the North East by indicating they were not contemplating new orders at present.

The setback came only 24 hours after Mr. Benn, the Energy Secretary, suggested a meeting between the Government, trade unions and oil companies to speed up ordering of North Sea oil rigs.

The North of England Development Council, which has been pressing for more work for Labour Oilfields, currently employing 1,800 at its Hartlepool construction yard, said yesterday that approaches to oil companies had so far been unsuccessful.

Shell Exploration and Production has decided that its intensive appraisal of the offshore programme will provide virtually no chance of platform or module orders before 1977.

## Scottish Daily News given another week's reprieve

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

THE Scottish Daily News, which faced the prospect of closure this week-end, was yesterday given a last-minute reprieve by its provisional liquidator, Mr. James Whitton.

Mr. Whitton, who has issued a one-week "protective" notice of dismissal to all 500 members of

the paper's staff, disclosed that at least one other expression of interest from a potential purchaser of the enterprise had been received.

The two principal creditors of the paper—launched in May as a workers' co-operative—had both agreed to a further week of publications.

They are the Scottish Office, which lent £12m, and Beaver-

brook Newspapers, the former owners of the Albion Street premises, who are owed £725,000.

Until yesterday, there had been only one possible bidder for the plant and premises, Mr. Robert Maxwell, owner of the Pergamon Press book publishing company, who stated £114,000 in the enterprise and who resigned earlier this month as its chief executive.

He told Mr. Whitton that his interest did not extend to the company or the paper, but was confined to the building and plant which he estimated to be

worth between £500,000 and £750,000. This compares with the £1.6m. purchase price which the co-operative paid in April.

Mr. Whitton says he regards Mr. Maxwell's figure as an opening bid, not a serious offer. In the interests of the creditors, his aim was to sell the business as a going concern but he added that his discussions with trade unions had made it clear that anyone planning a new paper from the Albion Street premises would almost certainly have to conduct a complete renegotiation of wage structures and manning levels.

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White satin embroidered workbag, 18th century. To be sold at Christie's South Kensington on Thursday, November 27th in a sale of Textiles, Costumes, Fans, Uniforms and Photograph Albums.

The base of this unusual 18th century workbag is embroidered with the initials C.C., an anchor, a coruocopia, lovebirds, etc. in gold thread, coloured silks, coloured paste and sequins. It is set with two seals from which it has been possible to trace its history. The seals are those of Cotton Impaling Rowley for the marriage of Admiral Sir Charles Cotton, Bt., R.N., of Landward, Cambridgeshire, who married Philadelphia, daughter of Sir Joshua Rowley, in London, 1758 and of the Bridgetown House of Syon.

Admiral Sir Charles Cotton, grandson of the Jacobite M.P. for Cambridge, was Admiral of the Fleet in 1807 and responsible for the blockade of Lisbon. The Bridgetown House of Syon are an English order who were living in exile in Lisbon at that time. Sir Charles may have helped them during those troubled times and the basket was an undelivered present, as it is believed to have remained in the possession of the Nunery until fairly recently.

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# Collecting wisely The great libraries

BY JANET MARSH

NOVEMBER 1975 will be long remembered in the annals of book collecting. "Never before," says Lord John Kerr, director in charge of Sotheby Parke Bernet's book and manuscript department, "have we had so many sales of libraries of such importance in so short a time, although we have disposed of many of the world's most famous libraries in the past two centuries."

Any jittery fears that economic crisis is forcing the great collectors to part with their treasures can, it seems, be allayed. There are sound historical reasons—like death or the dispersal of estates—to account for most of the sales.

Only one vendor speaks of being obliged by personal financial necessity to part with his collection. In his introduction to the catalogue of the Diaghilev-Lifar Library, which Sothebys are selling in Monte Carlo at the end of the month, Maitre Serge Lifar says touchingly: "I was proud to possess, among many others, the first Russian books printed in Moscow in 1564 by Ivan Fedorov, in the times of Ivan the Terrible, as well as the original editions of Lomonosov, Pushkin, Lermontov, Gogol, Turgeniev, Dostoevsky, etc."

"Today, with only my very modest pension from the Paris Opera, where, over a period of 40 years, I left the best of myself, I have no longer the means to keep everything . . ."

More historic Russian material appears in Sotheby's Zurich sale of Continental and Russian Autograph Letters, Literary Manuscripts and Historical Documents on November 5. It provides indeed a virtual panorama of modern Russian history with autographs ranging from Catherine the Great (a letter to Potemkin and another to the Vice-Chancellor, asking him, in shaky French to be tough with the Swedish Ambassador) to Rasputin (who scrawls, enigmatically, that he has "found a workman") and Trotsky.

This unparalleled group of sales began last Monday, with Sotheby's auction of the Earl of Rosebery's collection of books formerly in the library of William Beckford. The Fifth Earl had bought them after the final



dispersal of Beckford's vast library by Sotheby's in 1882-83. A fanatic about condition, all Beckford's books were bound by the best binders of the day; and are frequently enlivened by his caustic commentaries on the fly-leaf.

Of an anonymous author who turned out to be Shelley, he wrote: "I took it at first for blank verse as blank as an unsuccessful number in the lottery."

Alongside the Zurich sale of Continental and Russian autographs on November 5, Sothebys are selling the collection of important Hebrew and Samaritan Manuscripts formed by the late David Solomon Sassoon. On November 10 they have a sale in Bond Street of a small but extremely choice collection of 18th century illustrated books and volumes of prints. The provenance of this collection is identified only as "The Property of a Gentleman."

Christies take their turn on November 12, with a sale which includes the S. V. Hoffman Collection of Books on the Astral, sold by the New York Historical Society, and Lord Kenyon's collection of books printed by Richard Pynson in the first three decades of the sixteenth century. Pynson, whom the typographer Stanley Morison regarded as the only British printer of stature in the first century of the craft, was the first printer in this country to use Roman type.

Sothebys have their most important sales later in the month, in Bond Street. On November 17-18 there is the second part of the magnificent botanical library of the Stiftung fur Botanik, Liechtenstein, formed

by the late Arpad Plesch (1890-1974). The attraction of this collection is that it not only contains books of immense rarity and beauty, but is also a practical and working botanical library. A curiosity in the Plesch collection is a volume of dried and pressed specimens, issued commercially by J. Petiver in 1690. It includes a fairly well preserved spray of Ceanothus, and the auctioneers reassure prospective buyers that though the plant "has achieved a remarkable celebrity in recent years, it is not present. This being the case we are assured that the active constituents—mainly tetrahydrocannabinol (THC)—are not present in other than minute quantities."

Finally, on November 24, 25 and 26 there are two further sections of the great Phillips Library, whose dispersal still continues 103 years after the death of its creator, Sir Thomas Phillips, the most redoubtable bibliomane in history. The third day's sale of manuscripts on papyrus, vellum and paper includes the only recorded German illustrated manuscript bestiary, dating from the second half of the fourteenth century, and illuminated with such jolly beasts as the elephant jolly-rotated here.

Not the least remarkable aspect of these sales is their catalogues. Sotheby's catalogues for November alone amount to more than 1,000 pages of bibliographic scholarship; and the layout and magnificent illustrations, particularly of the Plesch and Phillips catalogues, make them in themselves collectors' items.

## ENTERTAINMENT GUIDE

OPERA & BALLET		THEATRES		THEATRES	
<b>COLISEUM</b> ENGLISH NATIONAL OPERA Tonight 7.30. Wed. 8.30. Thurs. 7.30. Fri. 7.30. Sat. 7.30. Sun. 7.30.		<b>GREENWICH</b> Today 7.30 & 8.30. Tomorrow 7.30. Wed. 8.30. Thurs. 7.30. Fri. 7.30. Sat. 7.30. Sun. 7.30.		<b>ROYAL COURT</b> Today 7.30 & 8.30. Tomorrow 7.30. Wed. 8.30. Thurs. 7.30. Fri. 7.30. Sat. 7.30. Sun. 7.30.	
<b>COVENT GARDEN</b> THE ROYAL OPERA Tonight 7.30. Wed. 8.30. Thurs. 7.30. Fri. 7.30. Sat. 7.30. Sun. 7.30.		<b>MAYMARKET</b> Today 7.30 & 8.30. Tomorrow 7.30. Wed. 8.30. Thurs. 7.30. Fri. 7.30. Sat. 7.30. Sun. 7.30.		<b>STREET</b> Today 7.30 & 8.30. Tomorrow 7.30. Wed. 8.30. Thurs. 7.30. Fri. 7.30. Sat. 7.30. Sun. 7.30.	
<b>SUNDAY CONCERTS</b> Tonight 7.30. Wed. 8.30. Thurs. 7.30. Fri. 7.30. Sat. 7.30. Sun. 7.30.		<b>KING'S ROAD THEATRE</b> Today 7.30 & 8.30. Tomorrow 7.30. Wed. 8.30. Thurs. 7.30. Fri. 7.30. Sat. 7.30. Sun. 7.30.		<b>SAVOY</b> Today 7.30 & 8.30. Tomorrow 7.30. Wed. 8.30. Thurs. 7.30. Fri. 7.30. Sat. 7.30. Sun. 7.30.	
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## OVERSEAS NEWS

## 32 deaths in Beirut as new ceasefire crumbles

BEIRUT, Oct. 31.

AT LEAST 32 people died today in battles around the Lebanese capital, despite a ceasefire announced two days ago by Premier Rashid Karami. The main conflict centred on the city's southern suburbs where left-wing forces tried to smash their way into the right-wing, phalangist stronghold of Ain Al-Rummaneh.

Mr. Karami, who two nights ago secured his tenth ceasefire agreement since mid-September, tried again to halt the fighting. He announced over the radio that a new ceasefire deadline had been set for 9.30 p.m. But an hour after this deadline, explosions and rocket-fire could still be seen in the area.

During the fighting two security police armoured cars were destroyed and two others were seized by the leftists.

For most of the day the city centre was calm, but even the central area scattered shooting and attacks accounted for seven deaths.

The Ain Al-Rummaneh fighting began, residents said, when

left-wing Moslems in the Shiyah district refused to move from an administrative building they had agreed to quit under the ceasefire. They said they would leave only on the express orders of the Palestinian leader, Mr. Yasser Arafat.

Mr. Karami on television tonight said that he was co-operating with President Suleiman Frangieh on the ceasefire. The Head of State has been attacked by Mr. Karami's political allies for making no pronouncements on the violence which has rent the country this year.

Asked later by a television commentator who was responsible for breaking the 10th ceasefire, the Premier said primary responsibility rested with the leaders of the political militias.

He said the firing broke out in areas held by the Lebanese Liberals of Interior Minister Camille Chamoun, Mr. Pierre Gemayel's Right-wing Phalangists and "some other political parties".

Reuter reports from Tel Aviv: Israel's Chief of Staff was quoted today as saying that if Syrian or other Arab troops entered Lebanon and turned it into a confrontation State, a potentially explosive situation would arise. Lieutenant-General Mordechai Gur added in an interview, with the newspaper Maariv, that this would pose a political problem for Israel. "A political but also a military one."

The struggle in the Lebanon Page 17

## Nkomo sees Smith in fresh Rhodesia 'talks about talks'

BY BRIDGET BLOOM

SALISBURY, Oct. 31.

PRELIMINARY "talks about talks" were held here this afternoon between the Rhodesian Prime Minister Mr. Ian Smith and a delegation led by Mr. Nkomo, the leader of the African National Congress.

A brief announcement from the Prime Minister's office described the talks as a "preliminary discussion on the constitutional issue." It said they had been "constructive and fruitful."

Mr. Nkomo told a press conference later that the talks, which had lasted an hour, had been at Mr. Smith's suggestion. Refusing to disclose details, Mr. Nkomo agreed that the talks had been constructive, and that they might agree well for a constitutional conference.

To-day's talks are the first contact between the Rhodesian Government and the ANC since the breakdown of the talks which they included the wing led by Bishop Muzorewa and the Rev. Sithole—held at the end of August on the Victoria Falls Bridge.

Muzorewa's faction was not included in today's talks although the possibility that the vice-president, Dr. Elliot Gubbels, who is still in Rhodesia, might be invited at a later date is not ruled out here.

While talks between Mr. Nkomo and Mr. Smith were not unexpected—it is believed that Mr. Smith was urged to restart negotiations with the ANC by Mr. Vorster in Pretoria 10 days ago—their chances of success seem slim.

Mr. Nkomo has again made clear that his aim is "majority rule now" and, while he would not doubt be prepared to negotiate some details, it is thought that he would be unwilling to accept that there should be more than a year of transitional government in which there would have to be a black majority. There is no indication so far that Mr. Smith will accept anything like these terms, although the talks have clearly not got down to such substantive matters. A further meeting between the two sides is expected next week.

The Arts  
Old Flames

BY B. A. YOUNG

E. A. Whitehead pursues in his new play at the Bristol New Vic, the concept for women that has obsessed him in everything he has shown us so far, the affirmation of misogyny pushed to dramatic lengths. The handle by which he grasps his weapon this time is Women's Lib.

Sally, a girl whose cool attraction from the top of her ginger hair to the tips of her blue jeans is all she has to offer, is the one who is discussing sex in a liberal way with Edward, Gary Bond at his smoothest. Edward has been asked to supper and confidently expects something more. To his mortification, three more guests turn up—Julia, his divorced first wife, and Muriel, his mother.

They drink and chat with surprising amiability while Sally pines in and out of the kitchen, which Mr. Whitehead has foraged for her. Sally, the only one of the three who is not a victim of the misogynist's table is only laid for four. "What are we going to have for supper?" asks Edward. "We're going to have you," says Sally.

The play seems to me utter nonsense, and it saddens me that the author, who writes so well, can't think of anything else to write about. He seems to have been arrested as a kind of mini-Strindberg, but without Strindberg's ability to clothe his fancies in varied and exciting plots.

At any rate *Old Flames* is splendidly played under Jonathan Hales' direction. Mr.

Bond makes a good thing of his opening passes with Miss Asher—just as well, for we never see him at all in Act 2. Meanwhile, Jagne Asher's Sally is radiating glamour in its true as well as its vulgar sense—evil projected through external beauty, the gift of the Lorelei, Morgan le Fay, Salome, Zuleika Dobson and so on.

The wives are well observed and contrasted. Susan Tracy plays Julie, a soft-centred blonde with an unfortunate longing for motherhood in spite of her other problems. Judy Cornwell is tough, randy Diana, who makes up for Edward's desertion of her and her children with all the casual sex she can get.

Silent at the back of the cabin (a roomy panelled apartment designed by Sue Plummer) sits Edward's grey-haired mother (Anne Dyson). She throws in occasional pleas for Catholic morality but winds up with a cruel tirade against her husband, dead of cancer, that makes everything else seem modest.

The whole setup is quite absurd, but the charm and skill of the players rescues it from downright tedium.

## Le Roi d'Ys

BY MAX LOPPERT

Westford's second production this year was of Lalo's *Le Roi d'Ys*. It was first performed at the Opera-Comique in 1888, ten years after its completion; the intervening period had been marked by the composer's frustration, his considerable revision of the opera, and the usual Parisian administrative humors.

The work achieved a success and popularity beyond every expectation, attracting international attention (Aida, Ponselle and Gigli were in the first Metropolitan cast of 1922; Melba appropriated the role of the Princess Yseult for her own use). Then, along with the body of 19th-century Romantic French opera, it gradually declined into semi-oblivion, with only occasional revivals in France and Belgium, and broadcasts elsewhere, to preserve it from complete disappearance.

Just the sort of opera likely to benefit from the very special Westford manner of enthusiastic rediscovery—and so it turned out to be. Qualifications will be made later in this notice about aspects of Jean-Claude Auvray's production, in sets by Bernard Arnould; the important thing to state is that on opening night last week the impact of the whole was tremendous—riveting, full-blooded and immensely vivid. After such a performance, underpinned by the high-spirited playing of the RTS Symphony Orchestra under the masterly direction of Jean Fardoul, the musical strengths of the opera have been reaffirmed, as considerable as the opera's supporters always claimed them to be.

The surprise factor was the punch and the grip of the drama. *Le Roi d'Ys* is suffused with the spirit of the Atlantic that in the opera's denouement threatens the domain of Ys with foundation. The plot is based on a Breton legend, much simplified by Lalo's librettist Edmond Baudouin. Though the tale is shrouded in a secret passion (the Princess, Margaret for Mylo) and jealousy (of Margaret for her sister Roseann, Mylo's love), with intrigue and treachery, the musical foundation of the opera is the Breton page and colour, most delightfully experienced in the opening choruses, the enchanting Act 3 Wedding Scene, and Mylo's Abandon. However, much of the opera is devoted to the conflicting, private emotions of the four main characters, the vein of pointed open-air clarity, in the



Stuart Harling and Gillian Knight in 'Le Roi d'Ys'

scoring and in much of the melodic material, is everywhere a distinctive and original feature.

The real originality of the music struck home; time and again all the stranger when one considers the charge of Wagnerian influence so often levelled at the opera. Of course, any work with a "white" pair of pure lovers, a "black" pair of evil schemers, a King who dispenses kingly recitative, a herald, many of the same elements, and an aura of mystic mythology invested with Romantic symbolism overtones, could hardly have avoided incurring for Lalo, in the 1880s, the cry of "Wagnerism," or more particularly "Lohengrinism." It was particularly unfortunate that the 10-year delay in staging *Le Roi d'Ys* should have resulted in the Paris premiere of Wagner's opera the year before Lalo's; this could only further advance a situation in which, in Martin Cooper's words, his score was "voiced outrageously Wagnerian in 1888 and has been voted outrageously noisy ever since."

Yet today, when the discovery of Wagnerian influence carries no weight of implied disapproval,

and the assimilation of his innovations by lesser figures is taken for granted, it is rather the difference between his opera and Lalo's—the latter with its more melodramatic plotlines and climaxes, and its surfer, less squarely expansive melodies—that is of importance. In a large theatre, where the presentation of *Le Roi d'Ys* followed intentionally the accepted paths of Grand Opera, and the musical impetus was less urgently unleashed than at Westford one might feel the force of a certain negativity in most of the characterisations, a failure to round out certain scenes with the breadth and the energy of their beginnings. In the Theatre Royal, we were catapulted towards the robust individuality of the score (heavy indeed for a small theatre, yet prevented by the conductor's skilful controlling hand from degenerating into "outrageous noise"); the staging consciously avoided every Grand Opera manifestation; and so the strong, bounding rhythms of the music, its sharp washes of atmospheric colour, its dramatic concision, came at us with full force.

(Max Loppert will review the Westford production in detail in a subsequent article.)

## Portuguese arrest 'Spinolists'

BY JANE BURGESS

POLICE and military today circled a house in the northern city of Braga and arrested a group of "counter-revolutionaries" meeting there, including two former officers who fled the country after taking part in the failed March 11 Spinolista coup.

The two officers are suspected of being members of the clandestine Spinolista Democratic Movement for the Liberation of Portugal (MDLP). Other similar security operations were reported in Northern Portugal, while reports from Angola indicate the Socialist Popular Movement for the Liberation of Angola (MPLA) arrested 30 Whites on a commercial flight from Lisbon under suspicion of also being linked to the Spinolists.

Dr. Alvaro Cunhal, the Communist Party leader, warned: "Men from the September 28 and March 11 coups are preparing another coup in Portugal." "both were coups linked with ex-General Spínola. Dr. Mario Soares, the Socialist Party leader, believes the Spinolists will try more bombings and destabilising tactics, but neither he, nor leading armed forces officers, fear the Spinolists have strength enough for a fully designed coup d'état.

For some time, new military intelligence has been following the movements of groups of MDLP activists inside Portugal, but as the date for Angola's independence approaches, and with it the chance of more violent MDLP action, the armed forces have apparently decided

to swoop on some of those suspected agents they have been watching.

The Revolutionary Council was meeting this afternoon and came to place troops back on the alert. It will also have to discuss a plany meeting of the Navy, corporals, attended by Admiral Rosa Coutinho (the Prime Minister) and by General Otelo

now have to ratify or refuse.

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## Turkey demands cash to reopen U.S. bases

ANKARA, Oct. 31.

TURKEY is demanding total control of U.S. bases on its soil and a substantial cash payment for their use before allowing them to reopen, informed sources said today.

The demands were presented in a draft agreement handed to American negotiators on Tuesday when talks began on reopening 26 bases closed since last July in retaliation for the U.S. arms embargo.

U.S. also wanted guarantees that the embargo, partially lifted earlier this month, would not be reimposed and the facility to close the bases again should American weapons deliveries cease.

A further demand was that the dwindling number of U.S. servicemen on Turkish soil should have no more privileges than other NATO troops. The Americans would function as NATO, rather than U.S. units, and Reuter

every base would have a Turkish commander.

The sources indicated that the U.S. found these demands largely unacceptable and would present a set of counter-proposals when the talks resume next month.

There was no precise indication how much cash Turkey wanted for allowing the U.S. to resume operations.

Turkish officials indicated, however, that the figure was related to the cost of sophisticated tanks and aircraft to re-equip Turkey's armed forces and would thus be counted in hundreds of millions of dollars.

It would also reflect Turkey's costs in running the bases and compensate the Turks for the risk of being a frontline NATO country.

There was no official confirmation that the spokesman for both sides said the negotiations were being kept secret.

Reuter

## Israel cargo at Port Said

CAIRO, Oct. 31.

FOR THE FIRST time since the signing of the new Sinal interim agreement, Egyptian authorities today were handed an Israeli cargo for processing and inspection in preparation for its journey down the Suez Canal, possibly tomorrow.

After a one-day delay, the 6,752-ton Greek freighter Olympus dropped anchor outside Port Said harbour and instructed its shipping agent to begin the transfer of cargo to the tolls.

The Olympus carries 800 tons of cement for the Southern Israeli port city of Eilat in the Gulf of Aqaba—the first cargo for the Jewish State through the Egyptian-controlled canal since 1969.

It's definitely outside the harbour, but it won't be allowed inside until the fees are paid," Mr. Mahmoud Onsi, chief of the commercial relations for the Suez Canal shipping agency, said.

He said once the ship enters the port, Government Customs officials board her to make the routine check of the cargo.

The Sinal interim agreement carries the provision that non-strategic cargoes to and from Israel may use the waterway on other than Israeli ships.

Since the birth of Israel in 1948, only a handful of ships carrying her cargo have been permitted through the waterway. A spokesman for the Suez Canal Authority, which will pilot the Olympus through the waterway to Suez City, has said the inspection probably will be "close," because Israel and Egypt are technically still at war.

But he said also that the authority would treat the vessel "as just another ship paying its tolls and going through."

UPI

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But he said also that the authority would treat the vessel "as just another ship paying its tolls and going through."

UPI







Next Monday, the Queen and many of the Cabinet will be at Aberdeen for the inauguration of BP's Forties Field. But, Adrian Hamilton warns, the celebrations surrounding North Sea oil must not be allowed to hide the political and economic problems which still remain

# Reservations behind the North Sea flow

LAST WEEK, the Prime Minister, half the British Cabinet and a good deal of London's Establishment turned out at one time or another to greet Prince Fahd of Saudi Arabia on his State visit to this country.

Next Monday, the Queen, the Prime Minister, three or four Cabinet Ministers and much of the Scottish as well as the English Establishment will be among 1,000 guests at Aberdeen to witness the official inauguration of BP's North Sea Forties Field.

Oil is the big subject of today. For the moment, it is because of the impact high oil prices have had on the country's balance of payments and the importance that the major producers have gained as potential lenders to the U.K. as well as potential purchasers of the nation's goods and services. For the future, it is Britain's North Sea oil and gas which provides the one gleam of light on an otherwise gloomy horizon, the one source of hope that the country can escape from the balance of payments, revenue and industrial problems which have beset it for a generation and more.

Yet, much as the Government may be looking forward to the benefits that North Sea will bring, even more will the officials most concerned be looking forward to an improvement in the climate of North Sea development itself and to any change in the current depressed mood of the industry which the start-up of substantial production may encourage.

In many ways the situation is confused. The events of the past year could in one sense be regarded as highly encouraging. On the exploration side, for instance, the first 10 months of 1975 have already seen a higher number of exploration wells—87—drilled on the U.K. Continental Shelf than during the whole of last year, and at least as high an average rate of rig activity during the season, at 28 rigs.

The success rate, at around one oil well in three drilled, remains unusually high and the year has seen perhaps as many as a dozen interesting and

likely commercial new fields established, some of them of considerable potential such as Conoco's find on block 211/19 or Texaco and Total's drilling of Saudi Arabia on his State visit to this country.

On the development side, too, this year has proved most encouraging. After the horrendous problems and delays, as well as cost escalation, which hit the industry during 1973 and 1974 the weather this year has, until recently, proved relatively calm. In addition to the Forties Field, where the last two platforms were installed ahead of schedule, both Shell and Mobil have installed the first two concrete production platforms on time at Brent and Beryl respectively; Amoco has put in its Montrose steel platform, Eilat, after the disasters of the Frigg production platform in 1974, has installed a substitute concrete structure on the field; Occidental has begun installation of the Piper Field platform; and pipelaying work has gone well, with a few problems, on the major Brent oil line to the Shetlands.

Even on the political front, where last winter saw the most anguished worries within the industry, it could be argued that the Government has gone far to meet its critics both in the concessions made on the Petroleum Revenue Tax proposals and on the Petroleum and Submarine Pipelines Bill.

Yet the most striking feature of the North Sea to-day is that the overall atmosphere has so far failed to respond to these more optimistic factors. A year ago, the bonanza spirit which had built up in the North Sea during the early seventies suddenly collapsed in the face of the combined problems of excessive tax demands by Government, rocketing cost escalation rates, internal financial difficulties among the companies, political uncertainty over Government policy on control and participation, and the endless series of problems which working in North Sea conditions appeared to create.

## ESTIMATED OIL PRODUCTION LEVELS OFFSHORE THE U.K., 1975-1982

Block No.	Field	Group	Est. Recov. Reserves (m. bbls.)	1975	1976	1977	1978	1979	1980	1981	1982
3/14	Alwyn	Total	500	—	—	25	75	100	100	100	100
30/24	Argyll	Hamilton Bros.	75	20	35	31	29	27	24	22	20
30/14	Auk	Shell/Esso	50	5	30	40	40	11	11	—	—
9/13	Beryl	Mobil/GC	600	—	60	80	80	80	80	80	80
211/29	Brent	Shell/Esso	1750	—	20	50	170	250	350	470	480
14/19	Claymore	Occidental	400	—	—	40	90	110	110	110	100
211/11 & 26	Cormorant	Shell/Esso	160	—	10	25	45	45	45	45	45
211/23 & 24	Dunlop	Shell/Esso	400	—	10	40	60	80	90	100	100
21/10	Forties	BP	1800	10	175	320	400	400	400	380	360
2/5	Heather	Unocal	150	—	—	25	50	50	50	50	50
211/27 & 8	Hutton	Conoco/Amoco	300	—	—	—	25	70	100	100	100
22/17 & 18	Montrose	Amoco/GC	200	—	10	35	50	50	50	50	50
3/3 & 9	Ninian	Chevron/BP	1000	—	—	50	150	275	300	300	300
15/17	Piper	Piper	800	—	80	170	220	220	200	100	100
211/24	Stefford	Conoco	300	—	—	—	10	35	55	70	70
211/18 & 19	Thistle	Burmah	450	—	20	100	180	180	160	125	125
Sub-total			8935	35	410	806	1344	1743	2080	2212	2140
Estimated oil production from U.K. probable fields			4790	—	—	—	—	160	505	790	940
Total U.K. Production			13725	35	410	806	1344	1903	2585	3002	3100
Internal U.K. consumption*			1580	1540	1540	1580	1600	1640	1700	1800	1800

Sources: Wood, Mackenzie Industry estimates

A year later, the depression still remains widespread, which Ministers have tried to deny that there is any problem or to claim that it is none of their doing. Certainly it is far short of what industry and Government officials had once expected. And to all appearances, the number of rigs operating in the U.K. sector is already falling this winter and may be reduced to around two dozen next year.

On the development side, no new field development project has been given the go-ahead this year. No new platform has been ordered since that by Chevron for two structures on Ninian at the beginning of the year. Apart from the implications for the future build-up of production beyond 1980, this has even more serious implications now for the sizeable State and private investment, as well as for employment built up in platform construction yards in Scotland. Many of the yards face the prospect of lay-offs and disaster if they do not get an order by next spring or summer.

The causes, and the full extent, of this slow-down has become the subject of one of those

endless political wrangles in which Ministers have tried to deny that there is any problem or to claim that it is none of their doing. Certainly it is far short of what industry and Government officials had once expected. And to all appearances, the number of rigs operating in the U.K. sector is already falling this winter and may be reduced to around two dozen next year.

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the drilling targets not so obvious.

So, though more oil will undoubtedly be found, it will take more drilling. And the industry, and with it the Government, is now having to face the hard possibility that the point of ultimate reserves are being reached. No one can tell for certain, and geology always holds its surprises. But most major companies are now tending to settle on an ultimate figure for U.K. North Sea reserves of around 25-25bn. barrels, with the implication that around 70 per cent has already been found. New acreage off the western coasts of Britain may boost this figure and it is clearly this hope which lies behind the Government's offer of new licences next year.

If, as now seems to be the case, exploration is moving towards smaller, more difficult finds, then the problems of production become equally more understandable. With higher unit costs making the economics of North Sea production more sensitive to variables, the continued problems of inflation and, just as much, the financial restrictions imposed on corporate expenditure in the oil industry at the moment become all the more worrying. If on to this is added the problems of financing and the political uncertainties created by Government policy (or lack of definition of policy), then it is hardly surprising that the pace of offshore progress is faltering not only in Britain, but also in Norway and almost everywhere else.

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Government action may not be the sole cause of the slow-down, but the severe uncertainties of the past 18 months,

and particularly the threatened fiscal and control action of last winter, have arguably served to cut off the first "boom" phase of North Sea exploration and development a year earlier than need have happened.

How far these problems can be overcome is the subject that should be exercising the Government to-day and not the barren debate about who is responsible for the past. But the picture is not without hope. After a year of delay, there are signs that a number of companies will go ahead with new platform orders by next summer, including Total at Alwyn, Conoco in the Stifford area, Shell/Esso with the likelihood of a second platform on Cormorant, and possibly with a programme for a new find at Tern, the Amoco group at Hutton, BP with a subsea system for Magnus, and BP and Phillips with possible plans for the development of Maureen and Andrew.

On the financial side, there are signs of a break in the position with expected announcements of a further International Energy Bank loan to the Occidental group for Claymore, a financing deal by Rothschilds and others for Tricentral's part in Thistle and a Royal Bank of Canada-organised loan for the Ranger group in Ninian. On the costs side, there are indications both of an easing in the general rates of construction inflation and of growing possibilities for technological advances which will enable companies to start production earlier through the use of sub-sea wellheads, offshore loading and buoyant platforms. Above all, perhaps, the fact that oil is at last coming ashore and companies and banks are beginning to see the prospect of actual cash flow from their heavy expenditures may well create a new and better climate for the future.

There remain more fundamental problems. The financial position of the oil industry as a whole is still far from expansionist and this could lead to future cuts in exploration and development programmes as greeted five long years ago.

well as a tendency to change the geographical balance of investment away from the U.K. The position and future of the smaller companies, particularly the independent exploration companies, is still very much in doubt. Political uncertainties over refinery policy, participation and depletion continue. And there remains this basic question of whether the North Sea has now seen its best days and is coming closer to its ultimate potential.

Problems So far, the country and the Government has managed to avoid the worst implications of the slow-down in that the rate of growth in consumption has fallen even further. Even without further new investment, the nine fields already committed to development programmes are more than sufficient to achieve the overall target of self-sufficiency by 1980. But this still leaves the problem of what happens afterwards, particularly when the country's more general needs to repay foreign debt through exports, to gear up economic growth, and to fill in the natural decline of existing fields in the latter part of the 1980s, are taken into account. And there is still the question of ensuring work for the industrial and contracting concerns of Scotland and England—a problem made none the easier by the contradictory pressures for conservation that may come if the end of the reserves road really is in sight.

As the Government and dignitaries assemble in Scotland for next Monday's celebrations, it is these questions which still nag away beneath the surface. North Sea oil has at last arrived, and with it there is every reason to believe that the worst period of doubt and delay is over in the North Sea. But it is no longer possible to treat the occasion with quite the same sense of innocent enthusiasm with which the first discovery of the Forties Field was greeted five long years ago.

## LABOUR NEWS

### Hospital workers settle for limit

BY JOHN WYLES, LABOUR REPORTER

By John Wyles, Labour Reporter: BRITAIN'S 250,000 hospital manual workers such as porters and catering staff yesterday became the latest group of workers to settle for £6 a week rises in line with the Government's pay policy.

This means that about 25m. workers have now negotiated annual pay deals of up to £6, the largest single group being 1m. local authority manual workers. Other workers who have taken £6 since the start of the policy on August 1 include busmen, firemen, grocery workers, baking and clothing and insurance workers.

The settlement also underlines the reluctance of the Government to try to settle with public sector workers for less than the full £6 and will encourage other groups to regard the figure as an "entitlement," not a maximum.

### Govan meeting planned by striking boilermakers

BY CHRIS SAUR, SCOTTISH CORRESPONDENT

WEST OF SCOTLAND officials of the Boilermakers' Association have called a meeting of 1,200 members employed in the Govan yard of Govan Shipbuilders on Monday, in an effort to settle a week-old strike which has closed the yard.

This is one of four major labour disputes in the West of Scotland, causing 7,500 men to be laid off, and threatening the employment of a further 4,500.

At Govan, on the Clyde, 380 welders have refused to use new welding rods, because a 6p an hour bonus being paid for doing so is also being paid for limited lay off.

Talks in Manchester yesterday failed to settle a pay strike by 300 clerical workers at Honeywell's four Lanarkshire works in Ravenscraig factories.

At the British Steel Corporation's Ravenscraig works in factories.

Three men, dismissed for not recognised by the Central Electricity Generating Board, union, have had their unemployment benefit held up. An appeal fund has been launched to help them by their union's federation, the Confederation of Employee Organisations.

Altogether, six men from the Ferrybridge Power Station, Yorkshire, have lost their jobs for refusing to join an approved union. They belong to the Electricity Supply Union, which is dismissal.

## £6 pay policy total success—Ministers

BY RICHARD EVANS, LOBBY CORRESPONDENT

THREE CABINET Ministers, in what appeared to be a concerted campaign, last night stressed the success of the Government's £6 a week pay policy and the backing given to it by the trade union movement.

But the Ministers—Mr. Edward Short, Mr. Eric Varley, and Mr. Merlyn Rees—also went out of their way to emphasise that living standards would fall for many people this winter.

Mr. Short, Lord President and deputy-leader of the Labour Party, said in his Newcastle constituency that critics of the trade union movement who had talked a great deal about irresponsibility in recent years should realise that since the pay policy came into effect in August, settlements for 85 per cent of employees were covered by agreements at £6.

The other 5 per cent, were covered by agreements below £6, this meant 100 per cent success. "The response from trade unions has been united and unanimous. We could not

have asked for a better start than that," Mr. Short declared.

But we have a hard winter ahead," he said. "Mr. Harold Wilson has said that real sacrifices will have to be made to cure inflation to bring us back on target. This winter we will all be making them."

Mr. Varley, Secretary for Industry, referred in Bakewell to the "superb lead" given to the nation by the trade union movement on the Government's pay policy. This offered Britain its chance to make a new start.

Mr. Rees said in his Leeds constituency that over the last three months there was growing evidence that the Government's policy was working. Over 1m. had settled within the limit.

He argued it was a voluntary policy and also a fair policy. "These are difficult times but not the occasion for despair. Already there are some encouraging economic indications. The message is clear—the battle against inflation is working and worthwhile."

Mr. Thatcher called on Conservatives to fight with the conviction their cause deserved. "The Socialists pursued their 'evil objectives' with a determination and passion which the Conservatives would fail to match at their peril."

For her, there was no choice. She intended to be the first woman Prime Minister of Britain—but not of a Britain that was mediocre and declining.

Mr. Thatcher, addressing Conservative Party workers from 31 West Midlands constituencies, attacked the Government for paying lip-service to the mixed economy while denying the private sector the resources, opportunities and freedom to give of its best.

Labour's major objectives included unlimited powers to take over private companies, nationalise the banks, levy still higher taxes and direct savings into industrial investment, she declared.

Socialist-controlled councils were becoming ambitious to interfere in more and more aspects of local life and commerce. If the Labour Party had its way, what the Government did not control, the local council would.

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additional exports. Our job as a Government will be to create employment in which private enterprise can flourish—to remove the barriers to its progress.

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# Prime factors in the Lebanese equation

By RICHARD JOHNS, Middle East Editor

THE 20-STORY Holiday Inn on Beirut's sea front was perhaps the most striking manifestation of the prosperity that the Lebanese capital enjoyed until this spring. Now the gaping hole in the upper floors, caused by the rockets of the Left-wing militia men earlier this week, are a witness to the self-destructive forces that must—whatever political solution can be found—have reversed the country's economic progress by many years and could yet prove to have changed fundamentally the character of Lebanon as an oasis of laissez-faire liberalism. Those Kuwaiti capitalists who own the Holiday Inn must be now regretting their investment.

The same could be said of the Western banks which, barred from setting up their own branches, paid millions of dollars for a share in existing locally-owned institutions to obtain a foothold in Beirut on

the largely illusory assumption that it would provide them with a stepping-stone to the oil riches of the Gulf. Before the last round of fighting which erupted last Saturday in the battle between the Christian Phalangists and the Muslim Left-wing militias for the centre of the capital, the Chamber of Commerce had assessed the economic loss from the fighting at \$3.4bn, about the same last year's GNP, and the unemployment resulting from it at 15,000. With the barricades still up and the street armies still facing each other with enough ammunition and weapons to keep the war going indefinitely it is almost an academic question to ask just how the "middle-man" of the Arab world can restore his business.

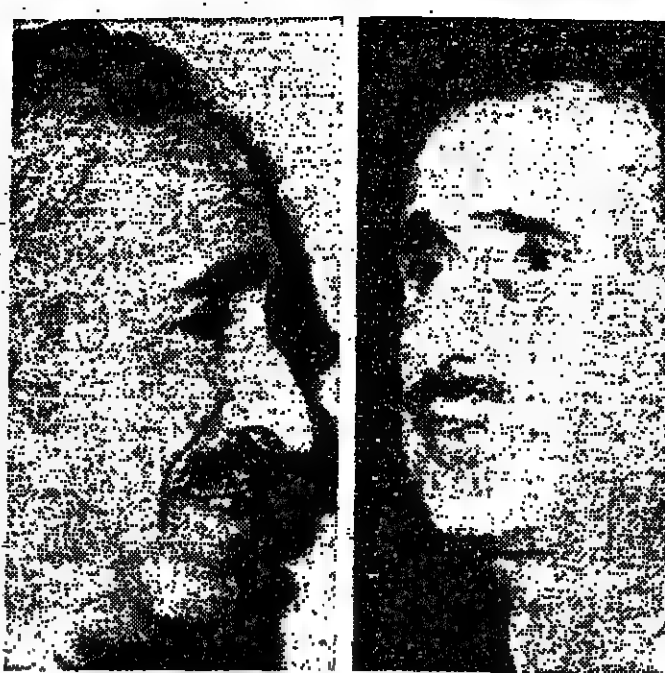
What clearly cannot be avoided at this stage, if the vicious spiral of killing is to be stopped and a new form of co-existence created is the

fundamental issue of political reform. As they fought with their backs to the sea in the area of luxury hotels this week the main preoccupation of the Phalangist forces and their allies would have been—justification—their own lives and, indeed, the survival of the Christian Maronite community as a whole. With the escalation of the conflict, basic atavistic feelings quickly took over. As early as June Mr. Pierre Gemayel, head of the Phalange Party, whose 6,000-man militia has been most continually and heavily involved on the Christian side, said that his forces' main motivation was rooted in historical fear. At stake, in the longer term, however, is the privileged predominance of the Maronites and country with Lebanon as a country with special status outside the mainstream of pan-Arab politics and, above all, direct confrontation with Israel.

The issue has been a live one ever since the civil war of 1958 which was precipitated by the ferment and excitement aroused among the Moslems of the main Sunni sect by the Egyptian-Syrian union of that year. Since 1957 it was made sharper by the build-up of the Palestinian commando presence and has always protruded most acutely at times of tension caused by Israeli retaliation against the guerrillas. With the steady gains made by the Left outside the ossified confines of the Lebanese parliament, and "horizontalisation" of politics away from the traditional sectarian lines, the pressure for a similar State—which would give power to a Moslem majority—has grown.

Facing up to the issue, however, might have been postponed indefinitely if it had not been for the unprovoked atrocity by Phalangist hot-heads who in April held up a bus and murdered 27 of its occupants, 24 of them Palestinians in cold blood. Earlier this year there had been nothing to suggest that the country—whose situation was once described "as always critical but never serious"—was destined for a bloodbath involving at least 2,000 deaths in just over six months. The only significant event was the army (which stood by in 1958) would almost certainly bring the Palestinian guerrillas fully and openly into the conflict.

At the time of Lebanon's independence in 1943 it was agreed, under the unwritten



Mr. Rashid Karami (left), who became the Lebanese Prime Minister in May, and Mr. Kamal Jumblatt (right), the Druze chieftain and indigenous leader of the Lebanese Left, was not in the Cabinet, refusing to serve in the same administration as the Phalange.

Prime Minister in May, that the army should not be mobilised to intervene in the fighting. It was with reluctance that he finally agreed to let it take up positions between the Moslems of Tripoli and the Christian inhabitants. The Moslem objection to the use of the 7,000-man force, which is far outnumbered both by the armed irregulars on either side and also by the Palestinians, goes to the heart of the problem. It is based on the fact that it is a Christian-dominated force and the conviction that it would favour the Phalangists and their allies.

There was also the personal distrust of Major-General Iskander Ghannem, the Commander-in-Chief, who was replaced before the army formed the buffer zone in the north. In practical terms the limitations on its effective use were illustrated when some Moslems in the ranks defected to the Leftist forces in Tripoli. More seriously, an attempt at full intervention by the army (which stood by in 1958) would almost certainly bring the Palestinian guerrillas fully and openly into the conflict.

At the time of Lebanon's independence in 1943 it was agreed, under the unwritten

National Covenant, that the Commander-in-Chief and Director-General of Security should be Maronites. According to the same formula, the main Christian sect has filled the office of President, the Sunni Moslems have provided the Prime Minister, and the Shiite Muslims the Speaker of the Parliament. A further refinement came after the conflict of 1958 when it was decided to apportion posts on a six-to-five basis in favour of the Christians and within the main groupings as equitably as possible according to sect. It was an arrangement that reflected not only the Maronites' greater wealth and sophistication but also their predominance in numbers at the time of the 1943 census which recorded them as 30 per cent of the population and which gave the Christians a 51 per cent majority. For obvious political reasons no count was held there after but undoubtedly the Christians have declined into a minority and the probability is that the Sunni Moslems now have parity with the Maronites. In itself, this demographic shift sooner or later must have put the system under strain even without a Palestinian problem to work up Arab nationalist feelings and the growth in the strength of the political radicals at the expense of the traditional Moslem leadership. Now

the absolute failure of the six-man "Government of National Salvation" drawn up broadly on confessional lines and of President Frangieh to provide any future of the delicately balanced confessional system in doubt even in a revised form of the kind that Moslems want. At its worst the bankruptcy of the traditional regime, which has seen the same group of men in various permutations at the top for 30 years or more was highlighted graphically by the fighting in the north between what were in effect, the private militias of Mr. Karami and President Frangieh, whose family are the feudal lords of Zghra. Historically, the clock has been turned back to 1958, undoing the progress made over a 12-year period when the ad hoc inter-confessional grouping known as the "Najd"—fortified by the now weakened Druze Buttaighe service—was in power under President Chehab and Helou and religious differences became blurred. In June Mr. Camille Chamoun, whose attempt to serve a second term as Head of State, was a major factor in the 1958 civil war, returned to office for the first time as Minister of the Interior, a post which he had held in 1943. Yet his band of followers, too, have been involved in the fighting. The most depressing aspect of the last round of fighting has been the apparent inability of the traditional bosses to control their rank-and-file militia men on the streets.

On the Moslem side there have appeared groups enjoying the support of the Palestinians and receiving assistance from outside, such as the "Eagles of Zeid", which clearly are not amenable to such politicians as Mr. Karami and Mr. Saeb Salam, another perennial Prime Minister, or even Mr. Kamal Jumblatt the Druze chieftain and the indigenous leader of the Lebanese Left. Libya is said by Moslem groups since the spring, while Iraq and Syria are known to have been vying for influence in the chaotic vacuum.

It was only with great difficulty that Mr. Karami managed to form his Government late in June. It included Mr. Kamal Jumblatt, with whom he had not spoken since 1958, but from the start his chances of bringing about sufficient order for a temporary compromise to be reached on the political plane were drastically limited be-

cause Mr. Gemayel and Mr. Jumblatt were not in the Cabinet. The Druze leader refused to serve in the same guerrilla operations. While the administration as the Phalange, Syrian Baathist regime is clearly worried about the deterioration of the situation, it must be happy that its influence has proved so decisive. As a result of the crisis the Palestinian movement has entrenched itself in the country in a way that it could scarcely have hoped. While the PLO has pledged itself to respect Lebanon's integrity and the commands as such have not been involved in the fighting since May, undoubtedly guerrillas have been a source of arms and have been swelling the ranks of the Moslem Left.

Mr. Khaddam and Mr. Arafat were chiefly responsible for the creation last month of the National Dialogue Commission, composed of 30 "elder statesmen", which is to draw up the political, economic and social reforms required for a lasting settlement. Evidently, the Maronites, even at this stage, are prepared for only minor concessions, although the Greek Orthodox would probably be far more amenable to the kind of change that the Moslems will demand. Mr. Jumblatt apart, the chief representatives on the Commission—if and when it is allowed to start meaningful deliberations—will be unlikely to reflect the full extent of the radical demand for a secular state.

From any point of view, the odds look weighted extremely heavily against the Maronites—not the least because of the Syrian-Palestinian external factor and the Moslem-Left's assertion of its power in the streets. An appreciation of this fact—however instinctive—will have been one factor behind the Maronite talk about partition. Such a solution has been ruled out, however, by their spiritual leader, the Patriarch and cannot be seriously contemplated by the leadership. It would not be acceptable to other Arab countries or, probably, the international community either.

A fragmentation of the Lebanon could create a situation in which Israel might feel forced to seize south Lebanon and the headwaters of the Litani. Therein lies the crucial, if impossible, factor in the hapazard Lebanese internal equation and the most dangerous aspect of the crisis.

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## COMMODITIES/Review of the week

### Rally in copper market

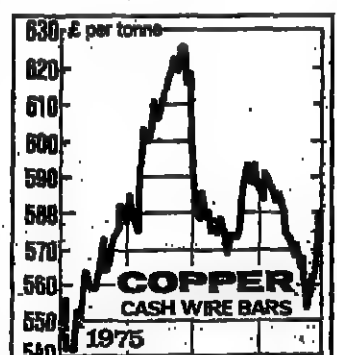
BY OUR COMMODITIES STAFF

COPPER PRICES moved up strongly on the London Metal Exchange yesterday, cash values gained \$12.5 to \$579.75 a tonne, \$24 up on a week ago, while the three months quotation broke through the \$800 mark again.

There were few fundamental reasons for the recovery in the market, which appeared to be mainly reacting to the previous decline with covering of previous sales by traders and speculative sources triggering off stop-loss buying and breaking through a chartist "buy" point.

The rally was aided by the usual market rumours including suggestions of an increased cut-back in Zambian shipments and, in the background, the prospect of some action by the Council of Copper Exporting Countries (Cicop) at its Ministerial meeting in Lima later this month.

On the other hand, a further rise in warehouse stocks is forecast (although less than previously anticipated) and the market remains sensitive to slide on the London Metal Exchange, largely following the downward trend in the Penang market. The Straits to price fell during the week from \$30.95 to \$29.85 a cwt, ominously close to the International Tin Agreement "floor" price of \$30.00. The cash



price in London closed last night at \$3,014.5 a tonne, \$22 down on the week, despite some heavy support buying—almost certainly on behalf of the Tin Agreement buffer stock. This heavy support buying in London, and probably some purchases in Penang too, may well be straining the financial resources of the buffer stock to breaking point, and there is considerable uncertainty as to whether the "floor" price can be adequately defended against the lack of buying interest. Ccoca futures traded in a narrow range on the London Metal Exchange, but a \$5 rise yesterday took the March position to the week's high at \$57.75 a tonne, up \$4 on the week.

Front-taking had weakened the market early in the week but a stronger tone was signalled by the announcement of restrictions on nearby sales by Brazil. This move was prompted by fears the shipment crop, Unesness about the temporary situation in Nigeria continues to be a supporting influence, particularly in nearby months. Although coffee values ended the week some \$13 lower the market was basically featureless and hesitant ahead of the second International Coffee Agreement negotiations which begin in London on Monday. The January futures position ended \$12.75 down on balance at \$73.2 a tonne, but this was largely due to a \$9.5 fall on Thursday.

Agreeing to the heavy inventory in early dealings on Monday the sugar market was also quiet and the March position ended only \$0.5 up at \$168.875 a ton. The opening tone on Monday was very strong, reflecting the pre-bid and rumours in New York of Russian buying on the world market, and the London daily price was marked up \$12 to \$172 a ton. A prompt and firm demand from Moscow, however, over-ruled the market down to earth and by the end of the week the LDP was down to \$166 a ton.

## WEEKLY PRICE CHANGES

	Latest prices per unit unless stated	Chgs on week	Year ago	1976		Latest prices per unit unless stated	Chgs on week	Year ago	1976	
				High	Low				High	Low
<b>Metals</b>										
Aluminum (60)	\$236			226 1/2	229 1/2					
Free Market (60)	\$210-286	-10		\$210-330	\$200					
Antimony (80%)	CL-80			CL-80	CL-80					
Free Market (80%)	\$1,650-1,775	+125		\$1,300-1,400	\$1,600-1,700					
Copper										
Cash Wire Bars (99.95)	\$2973.70	+24.0		\$2930	\$2938.70					
Free Market (99.95)	\$2907.70	+24.0		\$2915.5	\$2916.70					
Cat. Cathodes (99.95)	\$2905.5	+25.0		\$2922.5	\$2912.70					
3 months (99.95)	\$2895.5	+27.0		\$2915	\$2915.70					
Free Market (99.95)	\$1,413.70			\$1,413.70	\$1,413.70					
Lead (Cash & 3 mos)	\$124.5	+0.75		\$227.5	\$227.5					
3 months (99)	\$129.25	-1.0		\$129.25	\$129.25					
Free Market (99)	\$131.10			\$130.20	\$130.25					
Free Market (99)	\$175.5-1.5			\$222.75	\$222.75					
Free Market per cwt	\$29.5	+0.3		\$174-791	\$251.4					
<b>Grains</b>										
Wheat (Red)	\$20.94	-1.5		\$22.48-53	\$22.0					
Soft (White)	\$20.71	-1.35		\$22.2p	\$22.1p					
3 months per cwt	\$20.65	-1.9		\$21.5p	\$21.5p					
Free Market (99)	\$21.04-5			\$21.10	\$21.10					
3 months (99)	\$20,942.5	-63.5		\$21,125.5	\$21,125.5					
Wheat										
3 months (99)	\$20.42	-0.5		\$22.45-5	\$22.45					
Free Market (99)	\$24.76	-3.5		\$24.5	\$24.5					
3 months (99)	\$23.87-37p	-3.5p		\$23.5	\$23.75					
Producers (99)				\$23.5	\$23.5					
<b>Grains</b>										
Barley										
3 mos	\$29	+2.5		\$28	\$28.5					
Home Futures	\$21.4	-0.25		\$22.5	\$22.5					
<b>Other</b>										
French No. 3 Yellow (American)	\$24	-1.0		\$24.55	\$24.5					
Free Market (99)	\$21.1			\$21.1	\$21.1					
No. 1 Red Spring										
No. 2 Hard										
Wheat, Milling	\$27	-1.0		\$27	\$28.5					
<b>Spices</b>										
Cloves (g)	\$2,600									
Black (g)	\$2,600									
Ginseng	\$2,600									
Ground Maltolene	\$2,600									
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## This week's SE dealings

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01.	(22/10)	Goldberg (A.) Sns (75p) 50p 45	M.L. Hedges (23p) 44 (27/10). 8:2pCb.
		Goldman (M.) Grs (10p) 20 (27/10)	M.S. (29/10)
		Golding (Hos.) 14p (30/10)	M.T. (2p) 2p 4 1/2 1/2
02.		Gomme Hides (28p) 7 1/2	M.V. (2p) (10p) 41: 2
		Goodland (W.) Sns (10p) 5p	Macarthur Pharmaceuticals (120p) 70 3
03.		Graham Irons, and Stockman (5p) 9 1/2	(30/10)
		(30/10)	M.A. (Roberts) (Middleton) (10p) 11 1/2
04.		Goodwin (A.) Sns (Ngrs.) (10p) 10:	13 1/2 1 1/2 1/2
		(22/10)	McClure L'Amie Grs. (25p) 17 1/2 10
		Johnson Somers (Hides) (25p)	

[illegible]

Grand Med. 3500 5500 60 1 5 80; 4 1/2; 25	Grand Med. 3500 5500 60 1 5 80; 4 1/2; 25
New IPY. Pd. 3500 5500 60 1 5 80; 4 1/2; 25	New IPY. Pd. 3500 5500 60 1 5 80; 4 1/2; 25
10/10. 78 1/2 (28/10); 51/10. 74 3/4; 25	10/10. 78 1/2 (28/10); 51/10. 74 3/4; 25
10/10. 100. 84 1/2 3 1/2 5	10/10. 100. 84 1/2 3 1/2 5
Gratan Warehouse 2250 58 5 7 5	Gratan Warehouse 2250 58 5 7 5
Gratan Universal 2250 58 5 7 5	Gratan Universal 2250 58 5 7 5
31/10. 128 90 87 8 5 6 1/2. 34 1/2; 25	31/10. 128 90 87 8 5 6 1/2. 34 1/2; 25
Grat. 542 6 (22/10);	Grat. 542 6 (22/10);
Greenwich Street A (R.50) 325 (28/10);	Greenwich Street A (R.50) 325 (28/10);
Mallinson (William) and Denny Mott (25a)	Mallinson (William) and Denny Mott (25a)
40 1/2 390 1/2 450 31 9 8 1/2 5 40;	40 1/2 390 1/2 450 31 9 8 1/2 5 40;
New Cord. (25a) 38 1/2	New Cord. (25a) 38 1/2
Management Agency and Music 10 1/2 8	Management Agency and Music 10 1/2 8
30 1/2	30 1/2
Munroe and Garton 3500 1420 390 42 1/2	Munroe and Garton 3500 1420 390 42 1/2
40 1/2 1 7/10. 100. 85	40 1/2 1 7/10. 100. 85
Manchester 25 25 (22/10)	Manchester 25 25 (22/10)
Managers 25 25 (22/10)	Managers 25 25 (22/10)

[illegible]

10	Gunn (A.) (Hidge.) (23s) 53	Marling Inds. (1dp) 13s
	H.A.T. Group (10p) 4d (30:10)	Martins (10p) 14s
	H.V.T. (23s) 43s 80	Marshall Cavendish (10p) 23
	Haden Carrier (23p) 98s	Marshall Morgan Scott (23p) 73 (28:10)
	Hagbas John (10p) 27s	Marshall (T.) A-M-V (28p) 20 1 (28:10)
	Haghton Dewhurst (20p) 12s (30:10)	Martins (23p) 73
3	Hall Engineering (50p) 13s	Martins (23p) 137 (28:10)
	(20:10) 7s	Martin (A.) (20p) 33 (29:10)
	7s (20:10) 7s	Martin-Black (25p) 106s 2
	Hall Thermotank (23p) 77s 80	Martin The Newsagent (23p) 143s (30:10)

1	Halkin Group (50) No 40 47:2 (22:10)	MARKIN 171 (100) 250 330/70
2	Halkin Group (50) No 40 47:2 (22:10)	Messier 171 (100) 250 330/70
3	Halkin Group (50) No 40 47:2 (22:10)	Messier-Perpump 100 124 130/100
4	Halkin Group (50) No 40 47:2 (22:10)	Mather Platt (250) 421 3 3
5	Halkin Group (50) No 40 47:2 (22:10)	Mathews 151 (250) 630 70
6	Halkin Group (50) No 40 47:2 (22:10)	Maxwell 100 124 130/100
7	Halkin Group (50) No 40 47:2 (22:10)	Maxim Fashions (100) 181
8	Halkin Group (50) No 40 47:2 (22:10)	May Maxwell (250) 690
9	Halkin Group (50) No 40 47:2 (22:10)	Meat Trade Suppliers (250) 85 129/100
10	Halkin Group (50) No 40 47:2 (22:10)	Mellor Mills (250) 181 130/100
11	Halkin Group (50) No 40 47:2 (22:10)	Mellor M.J. (Hides) (250) 8
12	Halkin Group (50) No 40 47:2 (22:10)	Mellor M.J. (Hides) (250) 8

[illegible]

ONEILL, SIMS (20p) 30 (30/10)	7. Soc'n. 500 (30/10)
Headlam, Harry (20p) 30 (30/10)	Midland Cattle Products (25p) 88 8
Heiler (H.J.) 80 (27/10)	Midland Educational (30p) 550 800
Helmke of London (100p) 81	(30/10)
Holical Bar (25p) 24 (26/10)	Midland Industries (5p) 16 12. Soc'n
Henderson (P.C.) A Non-Vib. (10p) 37 (29/10)	Miller (F.) Textiles (10p) 48
Henderson-Kenton (20p) 30 (27/10)	Miller (H.) Midg. (10p) 151; 255a 480
Hemley's 7pc2nd2nd 30 (27/10)	Vitis (A. J.) Midg. (50p) 255a 480
Hemley (20p) 61 50 50 50 (29/10)	

Henshall (W.) (Agglutinos) N.V. 4/2  
 1210  
 Henshall (W.) (Furniture Trade) A N.V. 110p  
 1212; (29/10)  
 Heworth Ceramic Hides. (25p) 3340 4  
 3 11p14. 98  
 Herbert (Alfred) 540 4 3  
 Heron Motor Corp. (25p) 33  
 Heston (25p) 68 91  
 Hewson-Stuart Plant (10p) 49  
 Hewson-Williams Corp. (50p) 28 6 (29/10),  
 Mining Supplies (10p) 41 3 70/10  
 Mitchell Cotts Group (25p) 30 10 810.  
 1340 10  
 Mitchell Cotts Transport (25p) 25p  
 Mitchell Somers (10p) 21 4  
 Mixconcrete Hides. (25p) 470  
 Maxcon Engineers Bristol (Hids.) (25p)  
 35 5 (29/10)  
 Moor (M.) (20p) 113; (27/10)  
 Monitor Holidays (20p) 150

BACR, 90-18910  
Hickman, John G. (50p) \$1 (28/10)  
Nickson Welch (40p) (50p) 238. 8 ppc.  
Ln. 474 (27/10)  
Hickman (50p) 350  
Hoggs, Jim (25p) 4# 7 8 6. 7 ppc. 40  
(29/10)  
Highams (25p) 260  
Highams, John G. (50p) 78 \$1 (28/10)  
Highland Electronics, Grv, (20p) 9 10  
(29/10)  
Higgs, Francis (100p) 1

Monsante GeoDB 821-0 730 100. SacLn.  
1982-86 267  
Moorfoot (Knitting Mills) 125p 25 (29/10)  
Moorhouse, Brodrig (20p) 300 4/40  
More O'Farrell (10p) 33 (27/10)  
Morgan Cracble (25p) 775  
Morjan Edwards (10p) 52 (28/10)  
Morjan-Gramplan (25p) 37 (29/10)  
Morris Blakely Wall Papp. (25p) 46 (27/10)  
Morris (41 100p) 58-9 90 (30/10). Arc  
P.L. 21 (29/10)

Hill Smith (25p) 68 (22:10)  
 Hillards (10p) 866  
 Hinton (Amos) (10p) 54 1  
 Hootner, T. S. (25p) 2874 (28:10)  
 Hoyle's Gap (5p) 25  
 Hollis Bros. (25p) 400  
 Holt, Freds. (10p) 30  
 Hoover (25p) 2950 A (25p) 2950  
 Hookinsons Hlids. (5p) 42  
 Hoskins and Horton (25p) 474 (28:10)  
 Hough (25p) 30, 10  
 Morrison (W) Sarmicks. (10p) 88 (30:10)  
 Moss Enos, Geo. (25p) 8  
 Motherhead (10p) 1540 4 (30:10)  
 Mount Charlotte Inn (12p) 40 34 44  
 Mowbray (10p) 2500  
 Mowbray J. J. (25p) 30 2 (30:10)  
 Mulheead (25p) 732 6  
 Myron Geo. (10p) 77 10 80

N-O-P

House of Fraser (250)	739	5	1	22	8pc	NCR 4pc/5pc/3c/v. Ctd. Ln. 560	(38/10)
Unsecln. 41 (28/10)						NSS New-agents (100)	5% (27/10)
House of Leros (230)	439	4	1			Rainy Williams (100)	5% (30/10)
House of Higgs (Higgs)	1100	8				Carl Carbon (100)	200 190 24 3
Hoveringham Group (250)	30	28	10			Voil (1) Higgs. (250)	50 (27/10)
Restricted v. (250)	19	129	10			Westarlin 8pc/1pc. 504	9 (27/10)
Howard and Wyndham						Newman (27/10)	
Howard Machinery (250)	380	1	8			Newman Granger (Ind. (100)	300 5%
Howard Shuttering (Higgs.)	1100	18				Newman-Tank (250)	5%
Howard Group (250)	770					Newman-Tank (250)	130 (30/10)
						NSS (100)	250 135% (27/10)
							7400

Hudson's Bay (N 107° 10' W)  
Huller's Reveniers 23pct 100% 30 (29/10)  
Humphries Bay (25p) 51 (28/10)  
Hunting Ascp. Indusit. (25p) 66 (27/10)  
Hurst C. (25p) 57 5 (27/10)  
Hutchinson 10pct 45 (30/10)  
Hymn (I. and J.J) 5pct 8 1/2 (30/10)

Mig. Db. 55:  
Narcos 25pct 73 2. New 25pct 73. 5pc  
Narcos 10pct 140pct 93 (27/10)  
North (MF) 110p 21 (29/10)  
Northern Foods (25p) 690. New (1.2)  
(25p) 66 8 7 1/2. 6.25pct. 730 69:  
(30/10)

Norton Wright Grp (110p) 470  
Norton W. E. (Mids) (5p) 7 1/2  
Norton Scs (10p) 300  
Norton W. E. (Mids) (5p) 7 1/2  
Norton Scs (10p) 300

I-J-K

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7200 (30)10  
Imperial Group (25p) 71 21 2 2 2 70 1  
1c. 4ncUnsecln. 654 5uncUnsecln. 84  
530. 8.9pcUnl. 434 /30(10) 7.5pc  
Unsecln. 464 12(10) 10.5pcUnl.  
Ln. 505 4c 3pcUnsecln. 704 11  
701: 20  
Imperial Metal Industr. (25p) 420 1  
1c: 8pcUnsecln. 55  
10.5pcUnl. 12 (28) 10  
Africa Grp. (25p) 51 21 2 2 2 50 1  
Ogilvy & Mather (25p) 505 144 (28-10)  
Oliver Paper Mill (25p) 23 27 10 1  
Orme Dye (10p) 36 (30)10 3cLn. 630  
[EU] 101  
Osborn (Samuel) (25p) 43 (29-10)  
Oswald Inv. (Rd.) 121: 778  
Owen Owen (25p) 62 (30) 10  
Oskey Printing Grp (25p) 14 12 134  
(30)10  
Ozark Corp. Hides (25p) 120

Ingersoll (25p) 16 (29/10)	P.M.A. (Hldgs) (25p) 27 (23/10)
Ingram (Harold) (10p) 270 (30/10)	Perker Knoll A.N.V. (25p) 25 61 (28/10)
Initial Services (25p) 531: 8 pcp 46	Peterkin (Hldgs) (25p) 51 (28/10)
Insular Machine (25p) 15 (29/10)	Parkland Textile (Hldgs) A (25p) 19 (28/10)
International Combustion (5p) 80 7 1/2	
Int'l. Computers (Hldgs) 49 50 6pc	
Ob. 1983-78 451: 129/10	Paterson Zochovic A.N.V. (25p) 420
Interm. Micks 617/300 8 1/2	(28/10)
Intert. Palm 202/29/10	Pauls Whites (25p) 65 (27/10)
Intert. Standard Electric Corp. 51 pcp	Paxson W.L. (L) (51 8)

[illegible]

James (John) (25pi 231p) 41	Peters Stores 110pi 47 15 6
James (Maurice) Higgs. 110pi 30	Petrodon Group (12pi) 104
James (H. C.) (25pi) 132	Phillips Lamps Midd. (FL10) 768

IU Impl. Com. (SUS) 251 730p (27/10)  
 Istock Johnson (250) 93 2 (30/10)  
 (Ilmgworth Morris 250) 23. A non-vr.  
 120p 22  
 Imperial Chemical Indus. 29120 890 80  
 10 12 3 2 1 11 90: 88 90 39: 9  
 7: 66: 8pCt: 41 (27/10). 5: 8pUnsc:  
 50: 36: 6 5: 7 40: 10 10 1  
 50: 12 12 12 12 12 12 12 12 12 12  
 50: 12 12 12 12 12 12 12 12 12 12  
 O.K. Batters (192) 700 50 730 (27/10)  
 Oscar Wilsons (192) 700 50 730 (27/10)

Sincus Inc. L'n. 36  
Ingrall Ind. 10/31 341 87 (29 10)  
Ingersoll (25p) 16 (31 01)  
Ingred (Harold) 10/31 276 (30/10)  
Initial Services (25p) 531 8-  
Internat. Business Machines (SUSP) 16000  
International Combustion 150 80 7 1/2  
Int'l Comp. Mach's 49 50. 6pc  
Db. 1983-84 45, 129/10  
Intermet Nickel \$17,900 18 1/2  
Ozark Grs. Hldgs. (25p) 120  
P.M.A. (Hldgs.) (25p) 27 (29/10)  
Perker Knoll A.N.V. (25p) 45 6- (28/10)  
Parlier Timber Corp (25p) 74 (29/10)  
Portland Textile (Hldgs.) A (25p) 19 19  
Paterson Zoehnic A.N.V. (25p) 420  
(28/10)

J.B. Midge. (50p) 23	Petbow Midge. (10p) 149p 51p 69
Jackson (J. and M.) (50p) 194 19	Peterborough Motors (20p) 24p (28/10)
James (J.P.) (25p) 231p 41	Peters Stores (10p) 104
James (Maurice) Midge. (10p) 30	Petrocon Goods (12p) 104
James (H. C.) (25p) 132	Phillips' Lamps Midge. (FL10) 768











## AUTHORISED UNIT TRUSTS

<b>Abbey Unit Tr. Mgrs. Ltd. (a)</b> 25-26, Gresham St., London, E.C. 2 Abbey Unit Tr. Mgrs. Ltd. (a) Abbey Unit Tr. Mgrs. Ltd. (a) Abbey Unit Tr. Mgrs. Ltd. (a)	<b>Bridge Trustees Ltd. (a)</b> 25, Abchurch Lane, E.C. 4 Bridge Trustees Ltd. (a) Bridge Trustees Ltd. (a) Bridge Trustees Ltd. (a)	<b>G. &amp; A. Unit Tr. Mgrs. Ltd. (a)</b> 1, Roper St., London, E.C. 4 G. & A. Unit Tr. Mgrs. Ltd. (a) G. & A. Unit Tr. Mgrs. Ltd. (a) G. & A. Unit Tr. Mgrs. Ltd. (a)	<b>Lloyds Bank Unit Tr. Mgrs. Ltd. (a)</b> 1, Roper St., London, E.C. 4 Lloyds Bank Unit Tr. Mgrs. Ltd. (a) Lloyds Bank Unit Tr. Mgrs. Ltd. (a) Lloyds Bank Unit Tr. Mgrs. Ltd. (a)	<b>National Unit Trust Managers Ltd. (a)</b> 1, Roper St., London, E.C. 4 National Unit Trust Managers Ltd. (a) National Unit Trust Managers Ltd. (a) National Unit Trust Managers Ltd. (a)	<b>Prudential Unit Tr. Mgrs. Ltd. (a)</b> 1, Roper St., London, E.C. 4 Prudential Unit Tr. Mgrs. Ltd. (a) Prudential Unit Tr. Mgrs. Ltd. (a) Prudential Unit Tr. Mgrs. Ltd. (a)	<b>Seaboard Unit Tr. Mgrs. Ltd. (a)</b> 1, Roper St., London, E.C. 4 Seaboard Unit Tr. Mgrs. Ltd. (a) Seaboard Unit Tr. Mgrs. Ltd. (a) Seaboard Unit Tr. Mgrs. Ltd. (a)	<b>Target Unit Tr. Mgrs. Ltd. (a)</b> 1, Roper St., London, E.C. 4 Target Unit Tr. Mgrs. Ltd. (a) Target Unit Tr. Mgrs. Ltd. (a) Target Unit Tr. Mgrs. Ltd. (a)
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## INSURANCE, PROPERTY, BONDS

**REGIONAL MARKETS**

Following the merger last year of U.K. stock exchanges, a selection of the shares previously shown under regional headings is presented below with quotations as at 10.15 a.m. on 30 October 1975. All prices are in pence unless otherwise stated.

Region	Share	Price
London	Abbey Unit Tr. Mgrs. Ltd. (a)	100.00
London	Bridge Trustees Ltd. (a)	100.00
London	G. & A. Unit Tr. Mgrs. Ltd. (a)	100.00
London	Lloyds Bank Unit Tr. Mgrs. Ltd. (a)	100.00
London	National Unit Trust Managers Ltd. (a)	100.00
London	Prudential Unit Tr. Mgrs. Ltd. (a)	100.00
London	Seaboard Unit Tr. Mgrs. Ltd. (a)	100.00
London	Target Unit Tr. Mgrs. Ltd. (a)	100.00

**APOLLO**

Edited by Denis Sutton

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**Growth from British and overseas companies involved in a growing Scottish economy.**

For the first time ever Scottish unemployment figures show less of an increase than those of England. The first returns from the billions of pounds invested in the recovery of oil and gas are beginning to make themselves evident in Scotland.

With this initial priming complete, we offer a unit trust specifically aimed at growth from companies already reaping profits within this developing economy.

Since January this year our Scottish Resources and General Fund units have grown in value over 57%. Only a modest indication (the managers believe) of things to come.

The trust invests in a wide range of British and overseas companies giving good growth opportunities and maximum safety.

Remember, the price of the units, and the income from them, can go down as well as up.

**FIXED PRICE OFFER CLOSING FRIDAY 7 NOVEMBER 1975.**  
Income Units 74.7p OR THE DAILY PRICE IF LOWER

The managers reserve the right to close this offer at any time if the price of the units falls below 70p. The offer will be closed if the price of the units falls below 70p. The offer will be closed if the price of the units falls below 70p.

**Lawson Scottish Resources & General Fund**

<b>Abbey Life Assurance Co. Ltd.</b> 1, Roper St., London, E.C. 4 Abbey Life Assurance Co. Ltd. Abbey Life Assurance Co. Ltd.	<b>The City of Westminster Assur. Soc. V.</b> 1, Roper St., London, E.C. 4 The City of Westminster Assur. Soc. V. The City of Westminster Assur. Soc. V.	<b>Hambro Life Assurance Limited</b> 1, Roper St., London, E.C. 4 Hambro Life Assurance Limited Hambro Life Assurance Limited	<b>Life &amp; Equity Assurance</b> 1, Roper St., London, E.C. 4 Life & Equity Assurance Life & Equity Assurance	<b>Norwich Union Insurance Group</b> 1, Roper St., London, E.C. 4 Norwich Union Insurance Group Norwich Union Insurance Group	<b>Slater Walker Insurance Co. Ltd.</b> 1, Roper St., London, E.C. 4 Slater Walker Insurance Co. Ltd. Slater Walker Insurance Co. Ltd.
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## OFFSHORE AND OVERSEAS FUNDS

<b>Albany Management Co. Ltd.</b> 1, Roper St., London, E.C. 4 Albany Management Co. Ltd. Albany Management Co. Ltd.	<b>Charterhouse Japhet</b> 1, Roper St., London, E.C. 4 Charterhouse Japhet Charterhouse Japhet	<b>Free World Fund Ltd.</b> 1, Roper St., London, E.C. 4 Free World Fund Ltd. Free World Fund Ltd.	<b>Kleinwort Benson Ltd. Agents</b> 1, Roper St., London, E.C. 4 Kleinwort Benson Ltd. Agents Kleinwort Benson Ltd. Agents	<b>Samuel Montagu Ltd. Agents</b> 1, Roper St., London, E.C. 4 Samuel Montagu Ltd. Agents Samuel Montagu Ltd. Agents	<b>Target Trust Mgrs. (Cayman) Ltd.</b> 1, Roper St., London, E.C. 4 Target Trust Mgrs. (Cayman) Ltd. Target Trust Mgrs. (Cayman) Ltd.
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## NOTES

Prices of units in the Lawson Scottish Resources & General Fund are shown in pence unless otherwise indicated. Units are sold at a price of 100p. Units are sold at a price of 100p.



**HOTELS—Continued**

**ENGINEERING—Contd.**

Stock	Price	Net
Stock 14635 Sp.	19 1/2	10
Waters C.P. 17	17	10
Waters C.B. 1	18 1/2	3.48
Waters C.B. 2	18 1/2	3.48
Waters Group 10	51	Q40
Waters Group 11	51	Q40
Waters Group 12	51	Q40
Waters Group 13	40 1/2	3.48
Waters Group 14	38 1/2	3.13
Waters Group 15	38 1/2	3.13
Waters Group 16	38 1/2	3.13
Waters Group 17	38 1/2	3.13
Waters Group 18	38 1/2	3.13
Waters Group 19	38 1/2	3.13
Waters Group 20	38 1/2	3.13
Waters Group 21	38 1/2	3.13
Waters Group 22	38 1/2	3.13
Waters Group 23	38 1/2	3.13
Waters Group 24	38 1/2	3.13
Waters Group 25	38 1/2	3.13
Waters Group 26	38 1/2	3.13
Waters Group 27	38 1/2	3.13
Waters Group 28	38 1/2	3.13
Waters Group 29	38 1/2	3.13
Waters Group 30	38 1/2	3.13
Waters Group 31	38 1/2	3.13
Waters Group 32	38 1/2	3.13
Waters Group 33	38 1/2	3.13
Waters Group 34	38 1/2	3.13
Waters Group 35	38 1/2	3.13
Waters Group 36	38 1/2	3.13
Waters Group 37	38 1/2	3.13
Waters Group 38	38 1/2	3.13
Waters Group 39	38 1/2	3.13
Waters Group 40	38 1/2	3.13
Waters Group 41	38 1/2	3.13
Waters Group 42	38 1/2	3.13
Waters Group 43	38 1/2	3.13
Waters Group 44	38 1/2	3.13
Waters Group 45	38 1/2	3.13
Waters Group 46	38 1/2	3.13
Waters Group 47	38 1/2	3.13
Waters Group 48	38 1/2	3.13
Waters Group 49	38 1/2	3.13
Waters Group 50	38 1/2	3.13
Waters Group 51	38 1/2	3.13
Waters Group 52	38 1/2	3.13
Waters Group 53	38 1/2	3.13
Waters Group 54	38 1/2	3.13
Waters Group 55	38 1/2	3.13
Waters Group 56	38 1/2	3.13
Waters Group 57	38 1/2	3.13
Waters Group 58	38 1/2	3.13
Waters Group 59	38 1/2	3.13
Waters Group 60	38 1/2	3.13
Waters Group 61	38 1/2	3.13
Waters Group 62	38 1/2	3.13
Waters Group 63	38 1/2	3.13
Waters Group 64	38 1/2	3.13
Waters Group 65	38 1/2	3.13
Waters Group 66	38 1/2	3.13
Waters Group 67	38 1/2	3.13
Waters Group 68	38 1/2	3.13
Waters Group 69	38 1/2	3.13
Waters Group 70	38 1/2	3.13
Waters Group 71	38 1/2	3.13
Waters Group 72	38 1/2	3.13
Waters Group 73	38 1/2	3.13
Waters Group 74	38 1/2	3.13
Waters Group 75	38 1/2	3.13
Waters Group 76	38 1/2	3.13
Waters Group 77	38 1/2	3.13
Waters Group 78	38 1/2	3.13
Waters Group 79	38 1/2	3.13
Waters Group 80	38 1/2	3.13
Waters Group 81	38 1/2	3.13
Waters Group 82	38 1/2	3.13
Waters Group 83	38 1/2	3.13
Waters Group 84	38 1/2	3.13
Waters Group 85	38 1/2	3.13
Waters Group 86	38 1/2	3.13
Waters Group 87	38 1/2	3.13
Waters Group 88	38 1/2	3.13
Waters Group 89	38 1/2	3.13
Waters Group 90	38 1/2	3.13
Waters Group 91	38 1/2	3.13
Waters Group 92	38 1/2	3.13
Waters Group 93	38 1/2	3.13
Waters Group 94	38 1/2	3.13
Waters Group 95	38 1/2	3.13
Waters Group 96	38 1/2	3.13
Waters Group 97	38 1/2	3.13
Waters Group 98	38 1/2	3.13
Waters Group 99	38 1/2	3.13
Waters Group 100	38 1/2	3.13

[illegible]

...Group	117	+1	+2.85
...Eng	119		+5.82
...Group	82	-3	+1.74
...Jackson	82		+1.74
...Com. Ck. 20p	30 1/2		0.9
...Gears 2p	126ml		+5.63
...Sanco	30		+2.22
...Indr	36		+2.84
...triple 20	126	+1	+7.0
...vels Indr. 61.	99 1/2		+2.9
...Platt	15		+2.9
...K. 20p	15		+2.9
...Pull	15		+2.9
...Fuller	41		+3.68
...alemit	41		+2.95
...Abrs. 10p	35		+2.71
...sen Dim 10	520		+7.39
...Indr 10p	30		+0.62
...thrus F. H. Sp.	9		+0.72
...G. 20p	9 1/2		+2.75
...G. 20p	9 1/2		+2.75
...g. 20p	268		+15.96
...W. 10p	54		+1.44
...Eng. 10p	26		+2.66
...Eng. 10p	26		+1.46

Wire Group	18		1.11
Spring	17		4.7
Spine Group	134		77.35
Spine I	40		1.1
Products	46		2.86
Plan Sp	59		4.44
on Income	59	+1	h5.69
cker & C.W.	86	+1	27.75
ical Buyl Cl	55		3.77
(Nt W)	55		71.85
Group 20p	21		1.05
Amec, Jp	70	+3	64.3
Group	70	+3	1.8
mm Spg	16		10.91
land	52		22.59
Sp	50		2.28
Group En	518	+3	65.55
Source En	13		0.5
Group Wm	13		0.5
chouse Wp	14		0.35
chouses Wp	25		41.35
h & J Top	74		0.37
h & J Top	92		2.89

...y Huges ..	97	+2	+4.06
...you Doe 10p.	87	-	0.7
...Small Fed. Sp	100	-	0.7
...dies W 20p.	31	-	d3 19
...Sedlin 15p.	27	-	12.34
...ng A's & Y	82	-	5.63

### MOD. GROCERIES, ETC.

...n Foods 10p.	105	-	1.05
...me Soft D 10p	20	-	5.60
...Biscuit 20p.	10	-	\$2.41
...Small Fed. Sp	100	-	0.7
...dies W 20p.	79	-	b1.16
...Fisheries ..	30	-	+3.52
...sa Group 10p	16	+1	0.37
...ns (Sidney) L	43	-	3.0
...D & D 10p	4	-	-
...T.A.G.	95	-	+4.52
...Small Fed. Sp	100	-	0.7
...ng York 10p.	31	-	2.72
...m 10p.	116	+1	4.0
...J.D.E.	64	+2	0.99

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...Sere 10p	59		9.62
...res 10p	54		2.17
...on (A.) 10p	75		2.17
...ch	136		5.35
...Co 50.50	532.2		675.36
...Sere 10p	239		13.59
...res 10p	62		11.35
...on (A.) 10p	22	-2	8.0
...woods	65m		3.0
... (G.F.)	23		
...Wm. 30p	130		14.4
...Gton 130	141	+1	16.15
...res. 8p	70	+2	21.5
...Hes. 10p	66		13.52
...Cade	68		2.04
... (A.)	48	-1	12.53
...on 10p	92	+2	13.23
...m 10p	87		1.67
...P. Food	66.2		12.55
...on 10p	57		13.9
...P. 10p	55		
...res 10p	126		0.88
...W.W. 10p	45		7.12
...sen Corp 10p	13		0.33
...	46		2.51
...	46	-1	

... ..	179	-1	2.75
... ..	22	...	2.75
... ..	160	...	6.50
... ..	49	-2	63.75
... ..	55	...	2.76
... ..	46	...	12.5
... ..	15	...	11.38
... ..	70	...	5.25
... ..	223	+1	116.8
... ..	58	...	12.77
... ..	43	...	1.22
... ..	50 <sup>1</sup>	+2	2.55
... ..	100	+1	12.83
... ..	85	...	2.84
... ..	83	-1	1.95
... ..	87	+7	61.96
... ..	162	...	15.05

J. Pr 100	£85	Q75%
Walker Sp	42	0 94
e Hotels 10p	26	1.09
Imes 2	19	—
Hotels 10p.	32½	—
re Hotels	76	d3 52
1 Met. 50c.	65	b3 46
ope Car 91-88	£85	Q10%
er Gr Sp.	8	—
Man Asst.	59	Q12½
Ent. 30p	42	Q5%

		INDUSTRIALS (Miscel.)	
157	43	143	823
158	43	23	2
159	43	23	2
160	43	23	2
161	43	23	2
162	43	23	2
163	43	23	2
164	43	23	2
165	43	23	2
166	43	23	2
167	43	23	2
168	43	23	2
169	43	23	2
170	43	23	2
171	43	23	2
172	43	23	2
173	43	23	2
174	43	23	2
175	43	23	2
176	43	23	2
177	43	23	2
178	43	23	2
179	43	23	2
180	43	23	2
181	43	23	2
182	43	23	2
183	43	23	2
184	43	23	2
185	43	23	2
186	43	23	2
187	43	23	2
188	43	23	2
189	43	23	2
190	43	23	2
191	43	23	2
192	43	23	2
193	43	23	2
194	43	23	2
195	43	23	2
196	43	23	2
197	43	23	2
198	43	23	2
199	43	23	2
200	43	23	2

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14	18	Century 18	35	+2.49	19.17	7.71
15	18	Cap Industries	13	+1.68	19.74	7.71
16	18	Cap Industries	13	+1.68	19.74	7.71
17	17	Century 18	35	0.2	19.17	7.71
18	17	Century 18	35	0.2	19.17	7.71
19	17	Century 18	35	0.2	19.17	7.71
20	17	Century 18	35	0.2	19.17	7.71
21	17	Century 18	35	0.2	19.17	7.71
22	17	Century 18	35	0.2	19.17	7.71
23	17	Century 18	35	0.2	19.17	7.71
24	17	Century 18	35	0.2	19.17	7.71
25	17	Century 18	35	0.2	19.17	7.71
26	17	Century 18	35	0.2	19.17	7.71
27	17	Century 18	35	0.2	19.17	7.71
28	17	Century 18	35	0.2	19.17	7.71
29	17	Century 18	35	0.2	19.17	7.71
30	17	Century 18	35	0.2	19.17	7.71
31	17	Century 18	35	0.2	19.17	7.71
32	17	Century 18	35	0.2	19.17	7.71
33	17	Century 18	35	0.2	19.17	7.71
34	17	Century 18	35	0.2	19.17	7.71
35	17	Century 18	35	0.2	19.17	7.71
36	17	Century 18	35	0.2	19.17	7.71
37	17	Century 18	35	0.2	19.17	7.71
38	17	Century 18	35	0.2	19.17	7.71
39	17	Century 18	35	0.2	19.17	7.71
40	17	Century 18	35	0.2	19.17	7.71
41	17	Century 18	35	0.2	19.17	7.71
42	17	Century 18	35	0.2	19.17	7.71
43	17	Century 18	35	0.2	19.17	7.71
44	17	Century 18	35	0.2	19.17	7.71
45	17	Century 18	35	0.2	19.17	7.71
46	17	Century 18	35	0.2	19.17	7.71
47	17	Century 18	35	0.2	19.17	7.71
48	17	Century 18	35	0.2	19.17	7.71
49	17	Century 18	35	0.2	19.17	7.71
50	17	Century 18	35	0.2	19.17	7.71

[illegible][illegible][illegible]

41	52	Glitter Pop 10p	31b-5	2.25	2,111.3	66
42	53	Girls & Metal 10p	31b-5	2.32	3.0	67
43	54	Girls & Metal 10p	31b-5	2.32	3.0	67
44	55	Girls & Metal 10p	31b-5	2.32	3.0	67
45	56	Girls & Metal 10p	31b-5	2.32	3.0	67
46	57	Girls & Metal 10p	31b-5	2.32	3.0	67
47	58	Girls & Metal 10p	31b-5	2.32	3.0	67
48	59	Girls & Metal 10p	31b-5	2.32	3.0	67
49	60	Girls & Metal 10p	31b-5	2.32	3.0	67
50	61	Girls & Metal 10p	31b-5	2.32	3.0	67
51	62	Girls & Metal 10p	31b-5	2.32	3.0	67
52	63	Girls & Metal 10p	31b-5	2.32	3.0	67
53	64	Girls & Metal 10p	31b-5	2.32	3.0	67
54	65	Girls & Metal 10p	31b-5	2.32	3.0	67
55	66	Girls & Metal 10p	31b-5	2.32	3.0	67
56	67	Girls & Metal 10p	31b-5	2.32	3.0	67
57	68	Girls & Metal 10p	31b-5	2.32	3.0	67
58	69	Girls & Metal 10p	31b-5	2.32	3.0	67
59	70	Girls & Metal 10p	31b-5	2.32	3.0	67
60	71	Girls & Metal 10p	31b-5	2.32	3.0	67
61	72	Girls & Metal 10p	31b-5	2.32	3.0	67
62	73	Girls & Metal 10p	31b-5	2.32	3.0	67
63	74	Girls & Metal 10p	31b-5	2.32	3.0	67
64	75	Girls & Metal 10p	31b-5	2.32	3.0	67
65	76	Girls & Metal 10p	31b-5	2.32	3.0	67
66	77	Girls & Metal 10p	31b-5	2.32	3.0	67
67	78	Girls & Metal 10p	31b-5	2.32	3.0	67
68	79	Girls & Metal 10p	31b-5	2.32	3.0	67
69	80	Girls & Metal 10p	31b-5	2.32	3.0	67
70	81	Girls & Metal 10p	31b-5	2.32	3.0	67
71	82	Girls & Metal 10p	31b-5	2.32	3.0	67
72	83	Girls & Metal 10p	31b-5	2.32	3.0	67
73	84	Girls & Metal 10p	31b-5	2.32	3.0	67
74	85	Girls & Metal 10p	31b-5	2.32	3.0	67
75	86	Girls & Metal 10p	31b-5	2.32	3.0	67
76	87	Girls & Metal 10p	31b-5	2.32	3.0	67
77	88	Girls & Metal 10p	31b-5	2.32	3.0	67
78	89	Girls & Metal 10p	31b-5	2.32	3.0	67
79	90	Girls & Metal 10p	31b-5	2.32	3.0	67
80	91	Girls & Metal 10p	31b-5	2.32	3.0	67
81	92	Girls & Metal 10p	31b-5	2.32	3.0	67
82	93	Girls & Metal 10p	31b-5	2.32	3.0	67
83	94	Girls & Metal 10p	31b-5	2.32	3.0	67
84	95	Girls & Metal 10p	31b-5	2.32	3.0	67
85	96	Girls & Metal 10p	31b-5	2.32	3.0	67
86	97	Girls & Metal 10p	31b-5	2.32	3.0	67
87	98	Girls & Metal 10p	31b-5	2.32	3.0	67
88	99	Girls & Metal 10p	31b-5	2.32	3.0	67
89	100	Girls & Metal 10p	31b-5	2.32	3.0	67
90	101	Girls & Metal 10p	31b-5	2.32	3.0	67
91	102	Girls & Metal 10p	31b-5	2.32	3.0	67
92	103	Girls & Metal 10p	31b-5	2.32	3.0	67
93	104	Girls & Metal 10p	31b-5	2.32	3.0	67
94	105	Girls & Metal 10p	31b-5	2.32	3.0	67
95	106	Girls & Metal 10p	31b-5	2.32	3.0	67
96	107	Girls & Metal 10p	31b-5	2.32	3.0	67
97	108	Girls & Metal 10p	31b-5	2.32	3.0	67
98	109	Girls & Metal 10p	31b-5	2.32	3.0	67
99	110	Girls & Metal 10p	31b-5	2.32	3.0	67
100	111	Girls & Metal 10p	31b-5	2.32	3.0	67
101	112	Girls & Metal 10p	31b-5	2.32	3.0	67

56	9	9	Harvard Comm.	11	10	1.3	14.0	15
57	9	9	Harvard Comm.	34	21.97	1.0	8.9	77
58	673	673	Do To Co Comm.	697	697	2.0	20.8	77.9
59	57	57	Do To Co Comm.	57	57	1.0	10.0	10
60	16	16	Do To Co Comm.	16	16	1.0	10.0	10
61	16	16	Do To Co Comm.	16	16	1.0	10.0	10
62	131	131	Do To Co Comm.	131	131	1.0	10.0	10
63	58	58	Do To Co Comm.	58	58	1.0	10.0	10
64	50	50	Do To Co Comm.	50	50	1.0	10.0	10
65	110	110	Do To Co Comm.	110	110	1.0	10.0	10
66	48	48	Do To Co Comm.	48	48	1.0	10.0	10
67	22	22	Do To Co Comm.	22	22	1.0	10.0	10
68	76	76	Do To Co Comm.	76	76	1.0	10.0	10
69	11	11	Do To Co Comm.	11	11	1.0	10.0	10
70	20	20	Do To Co Comm.	20	20	1.0	10.0	10
71	66	66	Do To Co Comm.	66	66	1.0	10.0	10
72	26	26	Do To Co Comm.	26	26	1.0	10.0	10
73	137	137	Do To Co Comm.	137	137	1.0	10.0	10
74	34	34	Do To Co Comm.	34	34	1.0	10.0	10
75	55	55	Do To Co Comm.	55	55	1.0	10.0	10
76	50	50	Do To Co Comm.	50	50	1.0	10.0	10
77	154	154	Do To Co Comm.	154	154	1.0	10.0	10
78	25	25	Do To Co Comm.	25	25	1.0	10.0	10
79	40	40	Do To Co Comm.	40	40	1.0	10.0	10
80	11	11	Do To Co Comm.	11	11	1.0	10.0	10
81	25	25	Do To Co Comm.	25	25	1.0	10.0	10
82	40	40	Do To Co Comm.	40	40	1.0	10.0	10
83	11	11	Do To Co Comm.	11	11	1.0	10.0	10
84	25	25	Do To Co Comm.	25	25	1.0	10.0	10
85	40	40	Do To Co Comm.	40	40	1.0	10.0	10
86	11	11	Do To Co Comm.	11	11	1.0	10.0	10
87	25	25	Do To Co Comm.	25	25	1.0	10.0	10
88	40	40	Do To Co Comm.	40	40	1.0	10.0	10
89	11	11	Do To Co Comm.	11	11	1.0	10.0	10
90	25	25	Do To Co Comm.	25	25	1.0	10.0	10
91	40	40	Do To Co Comm.	40	40	1.0	10.0	10
92	11	11	Do To Co Comm.	11	11	1.0	10.0	10
93	25	25	Do To Co Comm.	25	25	1.0	10.0	10
94	40	40	Do To Co Comm.	40	40	1.0	10.0	10
95	11	11	Do To Co Comm.	11	11	1.0	10.0	10
96	25	25	Do To Co Comm.	25	25	1.0	10.0	10
97	40	40	Do To Co Comm.	40	40	1.0	10.0	10
98	11	11	Do To Co Comm.	11	11	1.0	10.0	10
99	25	25	Do To Co Comm.	25	25	1.0	10.0	10
100	40	40	Do To Co Comm.	40	40	1.0	10.0	10

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Abbreviations:  $\Delta$  ex dividend;  $\Sigma$  ex scrip issue;  $\Sigma$  ex right  
 $\Sigma$  ex all;  $\Sigma$  ex capital distribution.

**"Recent Issues" and "Rights" Page 1**

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# FINANCIAL TIMES

Saturday November 1 1975

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## MAN OF THE WEEK



# Juan Carlos heads Cabinet talks after quiet takeover

BY ROGER MATTHEWS

PRINCE JUAN CARLOS, Spain's acting head of State, this morning chaired what was generally accepted here to be the first Cabinet meeting of the post-Franco era.

The latest bulletin on the health of General Franco says that he was still gravely ill and had developed inflammation of the stomach wall to add to his other medical complications.

The decision by Prime Minister Carlos Arias and the Prince to invoke Article 13 of the Constitution which permits a temporary handover of power during the illness or absence of the head of State, was finally prompted by the threat of civil war in the Spanish Sahara and the private assessment by the Franco medical team that the Caudillo was unlikely to die in the next 48 hours.

The ease with which the handover was effected surprised many observers of the Constitution. It had not been clearly understood that it only required a letter from the Prime Minister to the

Cortes (Parliament) informing the deputies of the decision.

In July last year, when General Franco was previously ill, he actually signed a document temporarily passing over power to the Prince.

Some constitutional experts today said that Thursday's manoeuvre by the Prime Minister had revealed an interesting loophole in Article 11 which might consider closing, since it appears to invest extraordinary powers in the office of the Prime Minister.

Although theoretically the Prince could now begin to introduce his own ideas on the political development of the nation, he is unlikely to make any moves until he is sworn in as King after the death of General Franco.

In any case, the Government is fully occupied by the Spanish Sahara and today's four-hour Cabinet meeting was understood to have been almost wholly concerned with this topic.

The Spanish Government's abrupt about-turn in its policy on the Sahara in the past fortnight is causing sharp tensions within the regime and in the territory itself. Having stated in the United Nations that the policy of self-determination for the 70,000 people of the phosphate-rich Sahara was flexible, Spain almost at once began negotiations with the two countries claiming the territory, Morocco and Mauritania.

Senior Jaime de Pineda, Spanish ambassador to the UN, is understood to have written a bitter letter to Senator Arias complaining about the inconsistency of the establishment of a complaints body to rule on breaches of the charter.

Its decisions would be enforceable in the same way as an arbitration award under the Arbitration Act of 1950.

This in Lord Halsbury's view would fulfil Lord Goodman's desire to see the issue of Press freedom written into the law of the land, but would not entail the introduction of a new tort.

It is probable that both the Goodman and Halsbury amendments will be accepted by the Lords, thus giving the Commons the opportunity of choosing one or more probably rejecting them both.

Mr. Michael Foot, Employment Secretary, has given every sign of refusing to make any further compromise. The Manifesto Group of moderate Labour MPs, who were critical of Mr. Foot's original provisions, now believe he has produced a formula with the voluntary charter that they can accept.

The Lords have already passed amendments from Lord Goodman against the Government's advice setting out the essential safeguards that would be covered by the charter. These are also likely to be rejected by the Commons on the grounds the contents of the charter should be left to the industry to decide.

MADRID, Oct. 31

## Perhaps a trial balloon

BY GUY DE JONQUIERES

WHETHER OR not Mr. John J. Riccardo set out to make a splash during his first month as Chrysler's chairman, his clear hint this week that the company is thinking of disposing of its loss-making U.K. operations has certainly had that effect.

The news stunned even seasoned observers of the motor industry in Detroit, who have grown used to the company's flair for the unexpected.

Mr. Riccardo's suggestion is the latest of several surprises which Chrysler has sprung during the past 18 months while trying to overcome deepening losses both in the U.S. and overseas.

A year ago, it started the industry by closing almost all its U.S. assembly facilities simultaneously for several weeks to reduce stock levels. Then last June, Mr. Leonard Townsend suddenly announced that he was retiring after nine years as chairman at the early age of 58.

## Cost cutting

Since then, Chrysler has been pushing ahead with a drastic cost-cutting programme, though so far this has yielded no visible improvement in its financial results.

Both General Motors and Ford have also been making economies, though as the smallest and weakest of Detroit's Big Three, Chrysler has been forced to cut more deeply and into a thinner layer of fat.

Mr. Riccardo, who is 51 and who succeeded Mr. Townsend as chairman on October 1, is not a man to blinch from such an unpleasant task. A blunt-spoken former accountant who joined Chrysler in 1959, he rose quickly on the strength of his aggressive and persistent management style, becoming President in 1970. His forceful approach soon earned him the nickname of "The Flame-thrower" inside the company.

Yet for all his outward aggressiveness, Mr. Riccardo's mind is set on the future of the British operations.

At his Press conference this week, he declined to discuss any specific proposals, remarking that "anything is possible" and hinting that the fate of Chrysler U.K. was still open to some negotiation.

This apparent vagueness has led some people in Detroit to believe that Mr. Riccardo's statement was less a trial balloon floated in the hope of extracting greater co-operation from the U.K. Government and the unions. For decades, Chrysler's declared a "long-term" to discontinue unprofitable operations, the U.K. subsidiary remains a sizeable investment. Writing it off completely would put a big dent in earnings at a time when Chrysler is already making heavy losses.

From the U.S. viewpoint, Chrysler's ultimate fate will be decided at home rather than overseas. It has always been a rather marginal operation, losing more than GM and Ford in bad years and earning less in good ones. The disparity was etched sharply in the third quarter, when GM and Ford reported much better profits than expected, while Chrysler made a \$79m loss.

## Blurred image

Chrysler's traditional weakness depends, as much as anything, on its failure to carve out a defined niche in the market. Though well-engineered, its products have lacked a clear marketing "image" or buyer identification—a serious flaw in a market where GM, Ford and even tiny American Motors have carefully staked out their positions.

As a financial expert, Mr. Riccardo may not be equipped by training to meet this need, and his critics accuse him of taking too narrow a view of the industry. But others say that he has broadened and mellowed, and he should be helped by Chrysler's new President, Mr. Eugene Carter, an engineer who came up on the "product" side.

# Carrington likely to rally Tories against Press Bill

BY RICHARD EVANS, LOBBY CORRESPONDENT



Lord Carrington: massive majority

AN END of session conflict between the Government and the Lords over the issue of Press freedom now seems inevitable after the decision of both Lord Goodman and Conservative peers to insist on further amendments to the Government's Trade Union and Labour Relations Bill.

The amendments, which seem certain to be opposed by the Government, are to be debated in the Lords on Monday. If passed, they will return to the Commons later in the week and the Upper Chamber will have one more opportunity to back down on November 11, the day before the end of the Parliamentary session.

All the indications last night were that Lord Carrington, leader of the Tory peers, was determined to use his massive majority to insist on what he regards as a vital constitutional issue affecting the freedom of the Press.

If the Bill fails to reach the statute book in this session, ministers are expected to invoke the 1948 Parliament Act early in the new session which starts on November 19.

The Labour relations Bill, which would not be subject to further amendment by the Lords, would be reintroduced and would become law by early January.

The key issue to be decided on Monday is what degree of legal backing if any should be given to the Press Charter. In the form accepted by the House of Lords, it would preserve the right of editors not to be named in trade union and to commission not convinced that this would

## Complaints

Lord Goodman, who tabled amendments yesterday, is sticking to his proposal that any agreement contrary to the charter's provisions should be "deemed contrary to public policy" and that nothing in the charter should be taken into account in any legal proceedings in respect of any right existing under Common Law.

Some Conservative peers are not convinced that this would

articles from non-journalists and the journalists belong to the union of their choice.

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# Barclays bank calls in Receiver at unit trust-backed concern

BY MICHAEL LAFFERTY

A RECEIVER has been called in at Kina, an engineering concern in London, which has been a London stockbroker on its own and in which a leading unit trust has a sizeable shareholding.

Shareholders have been told that a letter dated October 27 that they are unlikely to receive any monies as the unsecured creditors will almost certainly not be paid in full. Mr. Marcus J. Gresson, former managing director, said that "the statement of affairs is likely to show a deficit of over £1m."

Mr. Gresson stated that the company's 1974 accounts showed net assets of £580,000 and since then it had obtained another £145,000 from a share issue.

The receiver was called in by Barclays Bank, which is understood to have loans of some £400,000 outstanding to the company, after a report on the company's position had been prepared by accountants W. H. Cork Gully, at the bank's request. Mr. R. W. Cork of Cork Gully has been appointed Receiver.

One of Kina's directors is Mr. Lionel Artis, a partner in London stockbrokers Greene and Co. who are the company's brokers. A number of Greene's clients are believed to be shareholders in the company.

Mr. Gresson, who was previously a corporate finance manager at London stockbrokers Vickers, Da Costa, joined Kina in July this year and became managing director in September.

He said he left his job as the receiver had proposed to reduce his salary from £5,500 to £5,000.

A considerable holding of 500,000 shares which originally cost £100,000, is held by M and G, one of Britain's biggest unit trust groups.

It is believed that the collapse of Kina has led M & G to a fresh look at its rules over investment in unquoted companies.

Kina, whose chairman is engineering expert Mr. E. A. Hearn, specialises in the production of high-pressure water spraying equipment. It has twice won the Queen's Award for

Industry. Mr. Hearn was not available for comment last night.

It was suggested by some sources that the company last night, that behind the company's troubles, was a high ratio of bad debts. In addition it was suggested that over the years there had been a number of goods returned.

## U.S. business 'sombre over U.K.'

U.S. BUSINESS leaders are pessimistic about investment in Britain. Mr. Michael Ivins, director of Aims for Freedom and Enterprise, says.

He also reports that the Mayor of Pittsburgh has agreed to make July 1 Free Enterprise Day.

"While I am delighted that Pittsburgh should be supporting our Free Enterprise campaign," Mr. Ivins says, "I find that U.S. business leaders are both sombre and shocked at the way the Labour Government has been handling industry."

"Prospects for U.S. investment here, I am afraid, are poor, unless we can change our policies of low profits, low prices and a scale of awards for management which is the worst in any Western capitalist nation."

"American business leaders are only too well aware that in Britain the trade unions are dominating the Government and that industry's voice counts for very little."

It is important we see ourselves as others see us. The picture of Britain from the viewpoint of the leaders of U.S. industry is a very grim one indeed.

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It is important we see ourselves as others see us. The picture of Britain from the viewpoint of the leaders of U.S. industry is a very grim one indeed.

# THE LEX COLUMN

## Manipulating the RPI

Index fell 0.8 to 351.2

The half million or more savers who have so far taken up the two index-linked National Savings schemes should view with concern the Government's current discussions about voluntary price restraint. These stem from the proposal in this summer's anti-inflation White Paper that extra price controls should be imposed on "selected products of special importance in family expenditure."

Manufacturers and retailers would, it seems, be able to subsidise such items by increasing margins on other products, and there is no suggestion that such checks would have any immediate impact on the general rate of inflation.

Indeed, the reported limit of 5 per cent. planned for increases in the selected products during the first half of next year is well below the Government's most optimistic overall target. But it seems that the product categories will be largely drawn from the Retail Price Index—which is the yardstick that matters for the new National Savings schemes.

It would be ridiculous to suggest that the RPI might be fudged simply in order to defraud savers. But the Index has certainly taken on political overtones in recent years—as was shown during the autumn election campaign in 1974 when the impact of food subsidies and a cut in indirect taxes produced the claim that inflation was running at little more than 8 per cent.

The claim that features most prominently on the literature of the index-linked schemes is that they protect the purchasing power of savings, and the chart shows what this could have meant over the past five years. With this promise in mind, over £170m. has been invested in the Retirement Certificates since their launch in June, and more than 220,000 applications have been received for the SAYE scheme, involving total monthly payments of around £2m.

This is substantially greater than the responses to the previous SAYE issue. So savers representatives need to be kept alert to any threat that index-linking and inflation proofing might not turn out to mean the same thing.

share price performance and a prospective yield of 8.4 per cent. at 41p.

See also Page 14

## Granada/Robinson

Granada is bidding for the 17 per cent. minority interest in Robinson Rentals, and it looks to have learnt something from the dusty reply it received from Barranquilla. The group is offering 178p a share in paper with a cash option of 196p which compares with 160p for Robinson before the news and 187p at the close last night. By comparison the premium in the offer for the Barranquilla minority was very modest.

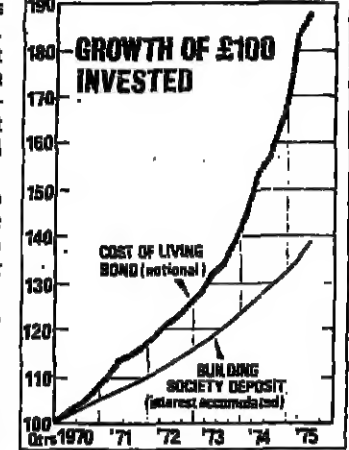
The deal is agreed, and it looks a good one for Granada. Its cash cost would be £7.1m. for an annual financing charge of less than £1m., whereas 17 per cent. of Robinson's profits in 1974-75 could be closer to £1.4m.—assuming the group can notch up £8m. pre-tax (growth of a quarter). Robinson was 28 per cent. ahead at the interim stage; May's higher VAT rate led to a couple of months of dullness but the group is plainly over the peak of its financing requirement and now entering the high cash flow phase of its current cycle.

See also Page 15

## Interest rates

A further round of prime rate cuts underlines the marked fall in U.S. interest rates over the past month. Three month Treasury Bill rates have dropped a full point to 5½ per cent., and although New York City's problems have left their mark, rates on lower quality paper have also moved lower. At the longer end, there has been quite a rally in the bond market. The latest money supply figures are running well below the bottom end of the Fed's target range, and there is a fair chance that prime rates might come down again in the near future.

But these trends have not crossed the Atlantic so far, and gilt sales are again reported to have been negligible this week. The authorities may well want to set up a rally on the back year's £29m. earnings should of U.S. rates, but although the improve since the tax charge differential between London is expected to fall to a normal and New York have widened level from the exceptional 65 per cent. rate in 1974. Still there are still external constraints of a second year of strains. Sterling has rallied little or no growth after the against the dollar, but the rapid expansion of the previous weighted depreciation remains decade explains the recent dull wider than it was a month ago.



services, and in the importing and distributing division, which lost £881,000 last year. The motor companies, notably the BMW concession, have already recovered from last year's overstocking problems and have been increasing unit sales with a profit improvement of over £500,000 so far. And first half losses on the food side have now been stemmed.

The key to the full-year outcome could be the financing and confirming side which has held up well so far. But the continued world recession and the possibility of more bad debts has led to more caution here. Although overall pre-tax profits need to be kept alert to any threat that index-linking and inflation proofing might not turn out to mean the same thing.

## Tozer Kemsley

Tozer Kemsley has had to downgrade its 1975 forecast again because of the slowness

## Weather

**U.K. TODAY**  
N.E. Scotland: Cloudy with rain, becoming mainly dry with bright or sunny intervals. All other areas: Sunny intervals. Showers likely. Temps. near normal for early November.  
London, Rest of England, Channel Isles: Partly of Main, Edinburgh, Glasgow, S.W., N.W. Scotland, Dundee, Cent. Highlands, N. Ireland, Wales  
Sunny intervals, showers. Near normal. Max. 10C-12C (50F-54F).  
Rest of Scotland  
Cloudy. Rain at first. Brighter later. Max. 9C (48F).  
**Outlook:** Showers or rain. Sunny intervals. Normal temps. Lighting-up: London 17.05, Manchester 17.09, Glasgow 17.11, Belfast 17.20.  
Long Range forecast Page 5

## BUSINESS CENTRES

	Y'day	Mid-day	Y'day	Mid-day
	°C	°F	°C	°F
America	15	59	16	61
Algeria	15	59	16	61
Algeria	15	59	16	61
Algeria	15	59	16	61
Algeria	15	59	16	61
Algeria	15	59	16	61
Algeria	15	59	16	61
Algeria	15	59	16	61
Algeria	15	59	16	61
Algeria	15	59	16	61

## HOLIDAY RESORTS

	Y'day	Mid-day	Y'day	Mid-day
	°C	°F	°C	°F
Algeria	15	59	16	61
Algeria	15	59	16	61
Algeria	15	59	16	61
Algeria	15	59	16	61
Algeria	15	59	16	61
Algeria	15	59	16	61
Algeria	15	59	16	61
Algeria	15	59	16	61
Algeria	15	59	16	61
Algeria	15	59	16	61

# GUINNESS PEAT GROUP LIMITED

Shareholders Funds now exceed £25 million

Following the approval by both Ordinary Shareholders and Convertible Stockholders of the proposals for the immediate conversion of its £9,691,631 of 8 per cent. Convertible Subordinated Unsecured Loan Stock 1979/81, Guinness Peat Group Limited announces that total Shareholders Funds now exceed £25 million.

The Scheme is now effective and binding on all stockholders. Dealings in the new Ordinary Shares have begun and Renounceable Certificates will be posted by 19th November 1975.

1975 Earnings per share (fully diluted) 12.52p  
1975 Net dividend per share 7.6225p

Copies of the 1975 Report and Accounts may be obtained from The Secretary, 32 St. Mary at Hill, London EC3R 8DH.

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